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No. 3107

United States 1143
Circuit Court of Appeals
For the Ninth Circuit. /

PENN DEVELOPMENT COMPANY, a Corporation,

Appellant,

against

C. E. STONER, F. E. SCHAAD, D. L. PETERS,
E. B. RHODES, and S. W. ODELL late Directors and Now Trustees of Ventura-California Oil Company, a Corporation; PACIFIC PETROLEUM COMPANY, a Corporation, and W. H. COCHRAN,

Appellees.

Transcript of Record.

Upon Appeal from the United States District Court for
the Southern District of California,
Southern Division.

FILED
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CLERK

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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original record are printed literally in italic; and, likewise, cancelled matter appearing in the original record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italics the two words between which the omission seems to occur.]

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Names and Addresses of Attorneys.

For Defendant and Appellant Penn Development Company:

THEODORE MARTIN, Esquire, and WILLIAM H. COCHRAN, Esquire, Suite 918 Security Building, Los Angeles, California.

For Plaintiffs and Appellees:

TANNER, ODELL, ODELL & TAFT, Esquires, 901-21 California Building, Los Angeles, California; 202-4 Dudley Block, Santa Monica, California; Boston Block, Pasadena, California; and PEYTON H. MOORE, Esquire, Black Building, Los Angeles, California.

For Defendant and Appellee Pacific Petroleum Company, a Corporation:

PORTER & SUTTON, Esquires, Central Building, Los Angeles, California.

Citation on Appeal.

United States of America—ss.

The President of the United States to C. E. Stoner, F. E. Schaad, D. L. Peters, E. B. Rhodes and S. W. Odell, late Directors and now Trustees of Ventura-California Oil Company, a corporation; Pacific Petroleum Company, a corporation; and W. H. Cochran.

You, and each of you, are hereby cited and admonished to be and appear at a United States Circuit Court of Appeals for the Ninth Circuit, to be holden at the city of San Francisco, in the state of California, within thirty days from the date hereof, pursuant to the order allowing an appeal entered January 31, 1917, and of record in the clerk's office of the District Court of the United States for the Southern District of California, Southern Division, in suit in Equity No. B-7 therein, and wherein Penn Development Company, a corporation, is a defendant and appellant, and wherein you, C. E. Stoner, F. E. Schaad, D. L. Peters, E. B. Rhodes and S. W. Odell, late directors and now trustees of Ventura-California Oil Company, a corporation, are plaintiffs and appellees, and you, Pacific Petroleum Company, a corporation, and you, W. H. Cochran, are also defendants and appellees, to show cause, if any there be, why the final decree of the said court made and entered in the said action on the first day of August, 1916, should not be corrected, and why speedy justice should not be done to the parties in that behalf.

Witness, the Honorable Oscar A. Trippet, United States District Judge for the Southern District of Cali-

fornia, Southern Division, this 31st day of January, 1917.

OSCAR A. TRIPPET,
United States District Judge.

[Endorsed]: B 7 Eq. Dept. . . In the District Court of the United States, Southern District of California, Southern Division. C. E. Stoner et al., plaintiffs, vs. Pacific Petroleum Company et al., defendants. Citation on Appeal. Due and timely service of a copy of the within citation on appeal is hereby admitted this 2d day of February, 1917. Porter & Sutton, attorneys for defendant Pacific Petroleum Company. Wm. H. Cochran, defendant in person. Received a copy of the within, reserving all rights and objections, this 2nd day of February, 1917. Tanner, Odell & Taft, attys. for pltf. Filed Feb. 23, 1917. Wm. M. Van Dyke, clerk; by T. F. Green, deputy clerk. Theodore Martin, suite 918 Security Building, Home phone F 5834, Sunset Main 488, Los Angeles, Cal., solicitor for dft. and appellant Penn Development Company.

*In the Superior Court of the State of California, in
and for the County of Ventura.*

VENTURA CALIFORNIA OIL COMPANY, a Corporation,

Plaintiff,

vs.

PACIFIC PETROLEUM COMPANY, a Corporation, STEPHEN W. DORSEY, PENN DEVELOPMENT COMPANY, W. H. COCHRAN, JOHN DOE, RICHARD ROE, JANE DOE and MARY ROE,

Defendants.

Complaint to Foreclose Contract of Sale.

Plaintiff complains of the defendants and alleges:

I.

That plaintiff is a corporation organized under the laws of the state of California; that the Pacific Petroleum Company and the Penn Development Company are corporations organized under the laws of the state of Delaware; that the defendants John Doe, Richard Roe, Jane Doe and Mary Roe are sued by fictitious names, and as soon as their true names shall have been ascertained they will be substituted by proper amendments.

II.

That on the 22nd day of July, 1913, the plaintiff and the defendant Stephen W. Dorsey entered into a contract by which the plaintiff agreed to sell and said Dorsey agreed to buy 569.54 acres of land situate in the Little Sespe petroleum district in the county of Ventura, state of California, particularly described as follows:

The Agasthenes Oil Placer Mining Claim, embracing lots four (4), five (5), ten (10) and eleven (11), containing one hundred and twenty and 69/100 (120.69) acres.

The Agapetus Oil Placer Mining Claim, embracing lot nine (9) and the north one-half ($\frac{1}{2}$) of the south-east quarter and the northeast quarter of the southwest quarter, containing one hundred and sixty (160) acres.

The Agapenor Oil Placer Mining Claim, embracing lots six (6) and eight (8) and the west half of lot seven (7), containing one hundred sixty (160) acre.

The Agareni Oil Placer Mining Claim, embracing lots one (1), two (2) and three (3) and the east one-half of lot seven (7), containing one hundred twenty-eight and $85/100$ (128.85) acres.

All in section 5, in the township 4 north, range 19 west, San Bernardino Base and Meridian, according to the surveys made by the United States Government, and all situate in the Little Sespe Petroleum Mining District, in the county of Ventura, state of California, United States of America, and containing a total of 569.54 acres.

Together with the oil wells situate thereon, and the personal property thereon, used in connection therewith, including pumps, tanks, derricks, pipe lines, casing, drilling rigs, boilers and other tools and appliances.

According to the terms and conditions contained in a written contract, a copy of which contract is hereto annexed, marked Exhibit "A," and made a part hereof, which said contract was duly acknowledged and thereafter recorded in the recorder's office of Ventura county on the 19th day of October, 1913, in book 139, at page 34, of the records of said office; that in and by said agreement, and as the purchase price therefor, the defendant agreed to transfer and assign within thirty days of the date of said agreement eleven thousand shares of the Pacific Petroleum Company, one of said defendants, of the par value of \$110,000, and \$25,000 par value of first mortgage bonds of said Pacific Petroleum Company, and to pay in cash \$15,000, on or before November 1, 1913, and assumed and agreed to pay an indebtedness secured by a trust deed then

existing against said property and held by the Citizens Trust & Savings Bank as trustee for certain notes made to Benson Investment Company, a corporation, and by it assigned to certain individuals residing in England; that the total amount of the issue of said notes secured by said trust deed to said Citizens Trust & Savings Bank was the sum of \$50,000, but at the time when the said agreement was entered into the total amount owing thereon was the sum of \$25,000 and interest, and that the assumption of said lien and the payment thereof was a part of the consideration of the purchase of said property.

III.

That thereafter the said Stephen W. Dorsey assigned his contract of purchase to the defendant the Pacific Petroleum Company by a written assignment bearing date of June 24, 1913, a copy of which assignment is hereto annexed, marked Exhibit "B"; that said assignment was duly acknowledged and on the 19th day of October, 1913, duly recorded in the recorder's office of said Ventura county in book 139, at page 36; that in and by said assignment the said defendant Pacific Petroleum Company agreed to perform all the covenants on the part of said Dorsey contained in said contract to be performed and assumed and agreed to pay all the payments provided therein and to pay and satisfy the indebtedness secured by the trust deed mentioned therein.

IV.

That thereafter on the 17th day of February, 1914, as plaintiff is informed and believes and upon such information and belief alleges, the defendant the

Pacific Petroleum Company and the defendant the Penn Development Company entered into an agreement without the knowledge or consent of plaintiff whereby it was agreed that the Pacific Petroleum Company should allow the property of this plaintiff to be sold by virtue of the terms of said trust deed for a failure to pay the interest thereon and which had theretofore accrued and which the said Pacific Petroleum Company had failed to pay when due, and on account of a failure to pay which the said Citizens Trust & Savings Bank, trustee, had been compelled to advertise for sale at the demand of the holders of the notes for \$25,000 secured by said trust deed, and had advertised to be sold on or about the 11th day of March, 1914; and plaintiff further alleges upon information and belief that the said defendants the Pacific Petroleum Company and the Penn Development Company entered into such agreement for the express purpose of depriving the plaintiff of its title to said lands, and of endeavoring to defeat and annul the contract between the said Dorsey and plaintiff, and assigned to said Pacific Petroleum Company by said Dorsey, and to deprive plaintiff wrongfully, illegally and unlawfully of the compensation therein provided for and to be paid therefor.

V.

That the defendant Cochran was the general agent, counsel and representative of said Penn Development Company in negotiating with the Pacific Petroleum Company for the purchase by Penn Development Company of a large number of properties consisting of leasehold interests, contracts for purchase and other

interests in oil property which the Penn Development Company desired to take over and purchase, including the said purchase contract made by plaintiff to said Dorsey and by him assigned to said Pacific Petroleum Company, and the said Penn Development Company through the said Cochran represented to the plaintiff at a date prior to said March 11, 1914, the date on which the sale of the Ventura California Oil Company property was advertised by the Citizens Trust & Savings Bank, trustee, that the said Penn Development Company was undertaking to perform all the conditions of said contract made by the said Ventura California Oil Company, including the payment of the \$15,000 in cash which should have been paid November 1, 1913, and the redemption of the promise of the Pacific Petroleum Company to furnish \$25,000 par value of first mortgage bonds and the substitution for the \$110,000 par value of capital stock of the Pacific Petroleum Company with shares of the Penn Development Company, so that the Ventura California Oil Company should have and receive its full compensation for said property, and for such purpose that he, the said Cochran, as trustee for the Penn Development, would bid in the property at said sale at the request of the Pacific Petroleum Company, and that immediately after said sale the conditions of said contract of the Ventura California Oil Company would be fully performed, and plaintiff alleges that at the request of the said Pacific Petroleum Company and as a part performance of its contract the said Cochran, as trustee for the Penn Development Company, did bid in and purchase the said property of the California Oil

Company at said sale and advanced the money to pay the same.

VI.

Plaintiff alleges further that though demand has been made upon said Pacific Petroleum Company, the said Penn Development Company and the defendant Cochran to perform the further conditions contained in said contract of the Ventura California Oil Company, they have failed and refused so to do, but are claiming that the Ventura California Oil Company has no interest in said property by reason of such sale under the trust deed aforesaid; that the plaintiff has demanded the payment of the \$15,000 and that bonds in the sum of \$25,000 to be delivered to it as agreed, but such payment has not been made, nor have such bonds been delivered nor has the stock of the Penn Development Company been substituted for or turned over to plaintiff in lieu of the capital stock of the Pacific Petroleum Company as represented, and plaintiff alleges that there is past due the sum of \$15,000 with interest at the rate of 7% per annum from November 1, 1913, that the bonds provided in such agreement to be issued and paid over to plaintiff would have been on the 1st day of November, 1913, intrinsically worth the sum of \$25,000, with interest at the rate of 6% per annum, and that the intrinsic value of 11,000 shares of Pacific Petroleum Company on said date was the sum of \$110,000; that said defendant Dorsey did turn over to plaintiff 11,000 shares of the capital stock of Pacific Petroleum Company, but plaintiff alleges that by reason of the action of said company in turning over its assets to Penn Development

Company as above set forth, the said shares have become and are worthless unless redeemed by said Penn Development Company as agreed, and that the said Penn Development Company has failed to redeem the same.

VII.

That the Ventura California Oil Company, after due demand upon defendants for performance, by resolution duly passed on the 21st day of April, 1914, elected to declare a forfeiture of the terms of said contract by it made to the said Dorsey and assigned to the Pacific Petroleum Company and assumed by the said Penn Development Company.

That the defendants John Doe, Richard Roe, Jane Doe and Mary Roe claim to have some interest in said property, but their interests, if any, are subsequent to and subject to the right and interests of plaintiff.

Wherefore, plaintiff prays judgment as follows:

That it be adjudged that the defendants shall forthwith pay to the plaintiff the sum of \$15,000 cash, with interest thereon from the 1st day of November, 1913, at the legal rate of interest, 7%; the sum of \$25,000, being the value of said bonds, together with interest thereon at the rate of 6% from November 1, 1913; and the sum of \$110,000, being the value of the shares of the Pacific Petroleum Company, with interest thereon at the rate of 7% from November 1, 1913; and that unless such payment be made within ten days from the judgment of said court the defendants and all of them and each of them be forever foreclosed of any right, title or interest to the premises or any part thereof and the personal property, or any part thereof,

and be adjudged to deliver up possession of all of said property to the plaintiff; and for such other and further relief as equity may require.

TANNER, ODELL, ODELL & TAFT,

By S. W. ODELL,

M. K. YOUNG.

Attorneys for Plaintiff.

EXHIBIT "A."

AGREEMENT.

This agreement, made by and between Ventura California Oil Company, a corporation, organized under the laws of the state of California, having its principal place of business in the city of Los Angeles, in said state, party of the first part, and Stephen W. Dorsey, of said city, party of the second part, witnesseth:

Whereas, heretofore party of the first part has given to party of the second part an option to purchase the premises hereinafter mentioned, and the terms of said option have not been complied with, but a new agreement has been entered into,

Now, therefore, it is agreed

The party of the first part, in consideration of such previous agreement and one dollar (\$1.00) to it in hand paid, receipt whereof is hereby acknowledged, and of the covenants upon the part of the party of the second part to be performed, as hereinafter set forth, does hereby agree to sell to the party of the second part all its right and title in and to that tract of five hundred sixty-nine and fifty-four hundredths (\$569.54) acres of land situate in the Little Sespe Petroleum District, in

the county of Ventura, state of California, particularly described as follows:

The Agasthenes Oil Placer Mining Claim, embracing lots four (4), five (5), ten (10), and eleven containing one hundred and twenty and $69/100$ (120.69) acres.

The Agapetus Oil Placer Mining Claim, embracing lot nine (9) and the north one-half ($1/2$) of the south-east quarter and the northeast quarter of the south-west quarter, containing one hundred and sixty (160) acres.

The Agapenor Oil Placer Mining Claim, embracing lots 6 and 8 and the west half of lot 7, containing 160 acres.

The Agareni Oil Placer Mining Claim, embracing lots 1, 2 and 3 and the east one-half of lot 7, containing 128.85 acres.

All in section 5, in the township 4 north, range 19 west, San Bernardino Base and Meridian, according to the surveys made by the United States Government, and all situate in the Little Sespe Petroleum Mining District, in the county of Ventura, state of California, United States of America, and containing a total of 569.54 acres.

Together with the oil wells situate thereon, and the personal property thereon, used in connection therewith, including pumps, tanks, derricks, pipe lines, casing, drilling rigs, boilers and other tools and appliances.

Party of the second part hereby agrees to buy said property and to pay for the same in the following additional sums, to-wit:

To transfer and assign within thirty days from the date hereof eleven thousand (11,000) shares of Pacific Petroleum Company of the par value of one hundred and ten thousand dollars (\$110,000) and twenty-five thousand dollars (\$25,000) par value of first mortgage bonds of said Pacific Petroleum Company, a corporation organized under the laws of the state of Delaware.

Fifteen thousand dollars (\$15,000) in cash, lawful money of the United States, on or before November 1, 1913.

To assume and agree to pay an indebtedness secured by trust deed now a lien against said property, the Citizens Trust & Savings Bank being the trustee, said sum being payable at said bank in Los Angeles, California.

It is understood and agreed that the party of the second part shall pay all taxes and assessments now a lien upon or hereafter levied against said property, it being understood that the taxes have been paid for the fiscal year 1912-13, and that the party of the second part shall enter into possession of said premises with the right and privilege of operating the oil wells thereon, improving said property, drilling oil wells thereon and extracting and selling therefrom oil and other mineral products during the time of the performance of this contract or until a breach thereof.

It is further understood and agreed that should the party of the second part fail to pay any of the sums above provided to be paid or transfer to the party of the first part the bonds or the capital stock above mentioned, then and in such case the party of the first part may proceed to collect the value thereof by any

proper action or may foreclose this contract, and in such case the party of the second part shall forfeit all moneys, bonds or stocks theretofore paid hereon and shall quit and deliver up said premises, and should an action be brought for either of said purposes the party of the second part agrees to pay all reasonable costs of such action, including a reasonable attorney fee to be taxed by the court.

Upon full payment being made, as herein agreed, the party of the first part agrees to make, execute and deliver sufficient deeds to transfer all of its title to the party of the second part and to deliver to the party of the second part its abstract of title upon said lands.

This agreement shall be binding upon the successors or assigns of the party of the first part and upon the heirs, administrators and assigns of the party of the second part.

In witness whereof the party of the first part has hereunto affixed its corporate seal and caused these presents to be signed by its president and secretary as of the 22nd day of July, 1913, and the party of the second part has hereunto set his hand and seal.

VENTURA CALIFORNIA OIL COMPANY,

(Seal)

By S. W. Odell, Prest.

D. L. Peters, Sec'y.

STEPHEN W. DORSEY.

State of California, County of Los Angeles—ss.

On this 13th day of August, A. D. 1913, before me, Ethel D. Rhoades, a notary public in and for the said county and state, residing therein, duly commissioned and sworn, personally appeared S. W. Odell, known to me to be the president, and D. L. Peters, known to me

to be the secretary of the Ventura-California Oil Company, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument, on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(Seal)

ETHEL B. RHOADES,

Notary Public in and for Said County, State of California.

State of California, County of Los Angeles—ss.

On this 13th day of August, 1913, before me, Ethel B. Rhoades, a notary public in and for said county, personally appeared Stephen W. Dorsey, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

Witness my hand and official seal.

(Seal)

ETHEL B. RHOADES,

Notary Public Los Angeles County, California.

EXHIBIT "B."

ASSIGNMENT.

This indenture, made by and between Stephen W. Dorsey, of the county of Los Angeles, state of California, party of the first part, and Pacific Petroleum Company, a corporation organized under the laws of the state of Delaware, witnesseth:

Party of the first part does hereby assign, transfer

and set over to the party of the second part, in consideration of ten dollars (\$10.00) and other value, to him in hand paid, receipt whereof is hereby acknowledged, that agreement made by and between Ventura-California Oil Company, a corporation, and the said Stephen W. Dorsey, dated the 22nd day of July, 1913, whereby said Ventura-California Oil Company agreed to sell, and said Stephen W. Dorsey agreed to buy, that certain five hundred sixty-nine and fifty-four hundredths (569.54) acres of land situated in the Little Sespe Petroleum District, county of Ventura, state of California, described as lots one (1), two (2), three (3), four (4), five (5), six (6), seven (7), eight (8), nine (9), ten (10) and eleven (11), and the north half of the southeast quarter and the northeast quarter of the southwest quarter, all in section five (5). township fourteen (14) north, range nineteen (19) west, S. B. B. & M., subject to all the conditions contained in said agreement upon the part of the party of the first part herein to be performed and which the party of the second part herein agrees to perform.

In witness whereof, the said party of the first part has hereunto set his hand and seal this 24th day of July, 1913.

STEPHEN W. DORSEY. (Seal)

State of California, County of Los Angeles—ss.

On this 16th day of August, 1913, before me, S. D. Odell, a notary public in and for said county, personally appeared Stephen W. Dorsey, known to me to be the

person whose name is subscribed to the within instrument, and acknowledged that he executed the same.

Witness my hand and official seal.

(Seal)

S. W. ODELL,

Notary Public in and for Said County and State.

State of California, County of Los Angeles—ss.

S. W. Odell, being duly sworn, deposes and says: That he is president of the plaintiff corporation in the foregoing and above entitled action; that he has heard read the foregoing complaint and knows the contents thereof, and that the same is true of his own knowledge, except as to the matters and things stated on his information and belief, and that as to those matters and things he believes it to be true.

S. W. ODELL.

Subscribed and sworn to before me this 28th day of April, 1914.

(Seal)

ROBT. A. ODELL,

Notary Public in and for Said County of Los Angeles,
State of California.

[Endorsed]: No. 5190. Book . . , page . . In the Superior Court of the state of California in and for the county of Ventura. Ventura California Oil Company, a corporation, plaintiff, vs. Pacific Petroleum Company, a corporation, *et al.*, defendants. Complaint to Foreclose Contract of Sale. (Endorsed) Filed Apr. 29, 1914. J. B. McCloskey, clerk; by L. E. Hallowell, deputy clerk.

*In the District Court of the United States, Southern
District of California, Southern Division.*

VENTURA CALIFORNIA OIL COMPANY, a Corporation,

Plaintiff,

vs.

PACIFIC PETROLEUM COMPANY, a Corporation,
STEPHEN W. DORSEY, PENN DEVELOPMENT
COMPANY, JOHN DOE, RICHARD ROE,
JANE DOE and MARY ROE and
W. H. COCHRAN,

Defendants.

**Second Amended Complaint to Quiet Title and
Foreclose Contract.**

Leave of court being had to amend its complaint,
plaintiff complains of the defendants and alleges:

I.

That the plaintiff is a corporation organized under the laws of the state of California; that the Pacific Petroleum Company and Penn Development Company are corporations organized under the laws of the state of Delaware; that the defendants John Doe, Richard Roe, Jane Doe and Mary Roe are sued by fictitious names, and as soon as their true names shall have been ascertained they will be substituted by proper amendments.

II.

That the plaintiff is the owner of and in possession of the following described real estate situated in the county of Ventura, state of California, particularly described as follows:

The Agasthenes Oil Placer Mining Claim, embracing lots four (4), five (5), ten (10) and eleven (11), containing one hundred and twenty and 69/100 (120.69) acres.

The Agapetus Oil Placer Mining Claim, embracing lot nine (9) and the north one-half ($\frac{1}{2}$) of the south-east quarter and the northeast quarter of the south-west quarter, containing one hundred and sixty (160) acres.

The Agapesor Oil Placer Mining Claim, embracing lots six (6) and eight (8) and the west half of lot seven (7) containing one hundred sixty (160) acres.

The Agareni Oil Placer Mining Claim, embracing lots one (1), two (2) and three (3) and the east one-half of lot seven (7) containing one hundred twenty-eight and 85/100 (128.85) acres.

All in section 5, in the township 4, north range 19 west, San Bernardino base and meridian, according to the surveys made by the United States Government, and all situate in the Little Sespe Petroleum Mining District, in the county of Ventura, state of California, United States of America, and containing a total of 569.54 acres.

Together with the oil wells situate thereon, and the personal property thereon, used in connection therewith, including pumps, tanks, derricks, pipe lines, casings, drilling rigs, boilers and other tools and appliances.

III.

That the defendants claim to have some interest in said premises or to some portion thereof, but plaintiff alleges that they have not nor have either or any of

them any right, title or interest therein or to any part thereof.

Second Cause of Action.

For further and second cause of action plaintiff alleges:

I.

That plaintiff is a corporation organized under the laws of the state of California; that the Pacific Petroleum Company and the Penn Development Company are corporations organized under the laws of the state of Delaware; that the defendants John Doe, Richard Roe, Jane Doe and Mary Poe are sued by fictitious names, and as soon as their true names shall have been ascertained they will be substituted by proper amendments.

II.

That on the 22nd day of July, 1913, the plaintiff and the defendant Stephen W. Dorsey entered into a contract by which the plaintiff agreed to sell and said Dorsey agreed to buy 569.54 acres of land situate in the Little Sespe Petroleum District in the county of Ventura, state of California, particularly described as follows:

The Agasthenes Oil Placer Mining Claim, embracing lots four (4), five (5), ten (10) and eleven (11), one hundred and twenty and 69/100 (120.69) acres.

The Agapetus Oil Placer Mining Claim, embracing lot nine (9) and the north one-half ($\frac{1}{2}$) of the south-east quarter and the northeast quarter of the south-west quarter, containing one hundred and sixty (160) acres.

The Agapesor Oil Placer Mining Claim, embracing

lots six (6) and eight (8) and the west half of lot seven (7), containing one hundred sixty (160) acres.

The Agareni Oil Placer Mining Claim, embracing lots one (1), two (2) and three (3) and the east one-half of lot seven (7), containing one hundred twenty-eight and $85/100$ (128.85) acres.

All in section 5, in the township 4, north range 19 west, San Bernardino base and meridian, according to the surveys made by the United States Government and all situate in the Little Sespe Petroleum Mining District, in the county of Ventura, state of California, United States of America, and containing a total of 569.54 acres.

Together with the oil wells situate thereon, and the personal property thereon, used in connection therewith, including pumps, tanks, derricks, pipe lines, casing, drilling rigs, boilers and other tools and appliances, according to the terms and conditions contained in a written contract, a copy of which contract is hereto annexed marked Exhibit "A," and made a part hereof, which said contract was duly acknowledged and thereafter recorded in the recorder's office of Ventura county on the 19th day of October, 1913, in book 139, at page 34, of the records of said office; that in and by said agreement and as the purchase price therefor the defendant Dorsey agreed to transfer and assign within thirty days of the date of said agreement, eleven thousand shares of the capital stock of the Pacific Petroleum Company, one of said defendants, of the par value of \$110,000, and \$25,000 par value of first mortgage bonds of said Pacific Petroleum Company, secured by a mortgage on said property

and other property in said state, and to pay in cash \$15,000 on or before November 1, 1913, and said Dorsey also assumed and agreed to pay an indebtedness represented by notes secured by a trust deed then existing against said property, made to and held by the Citizens Trust & Savings Bank as trustee, which notes had been executed to Benson Investment Company, a corporation, on February 19, 1913, and by it assigned to certain individuals residing in England; that the total amount of the issue of said notes secured by said trust deed made to said Citizens Trust & Savings Bank was the sum of \$50,000, but at the time when the said agreement was entered into the total amount unpaid thereon was the sum of \$25,000 and interest at the rate of six per cent for about three months, and that the assumption of said lien and the payment thereof according to the terms of said notes and trust deed was a part of the consideration of the purchase of said property on the part of said Dorsey.

III.

That thereafter the said Stephen W. Dorsey assigned his said contract of purchase to the defendant The Pacific Petroleum Company by a written assignment bearing date of June 24, 1913, a copy of which assignment is hereto annexed marked Exhibit "B"; that said assignment was duly acknowledged and on the 19th day of October, 1913, duly recorded in the recorder's office of said Ventura county; that said defendant Pacific Petroleum Company accepted said assignment and entered into possession of said property; that in and by said assignment the said defendant

Pacific Petroleum Company agreed to perform all the covenants on the part of said Dorsey contained in said contract to be performed and assumed and agreed to pay all the payments provided therein and to pay and satisfy the indebtedness secured by the trust deed to the Citizens Trust and Savings Bank mentioned in paragraph II thereof.

IV.

That thereafter, as plaintiff is informed and believes, and upon such information and belief alleges, the defendant Penn Development Company entered into an agreement with the defendant Pacific Petroleum Company by which it obtained some interest in and to the said property or some portion thereof, but such interest, if any it has, was taken subject to and with full knowledge of all the right, title and interest of the plaintiff, and the other defendants, W. H. Cochran, John Doe, Richard Roe, Jane Doe and Mary Roe, likewise have obtained some interest in and to said premises or some portion thereof, and their interests are likewise subject to the right, title and interest of the plaintiff herein.

V.

That the defendants have not, nor have either of them, paid to the plaintiff the sum of fifteen thousand dollars (\$15,000), due on or before November 1, 1913, according to the terms of said contract, nor have they transferred or caused to be transferred the \$25,000 par value of first mortgage bonds of said defendant Pacific Petroleum Company, according to the terms of said contract, and that by reason of said failure the said defendants, and each of them, have forfeited

all right to said premises, and to each and every part thereof, and to all moneys heretofore paid on account of said contract.

Wherefore plaintiff prays judgment:

1. That the amount due to plaintiff on account of the contract mentioned in the complaint be ascertained by the court, and that the defendants be adjudged to pay the same within a short day to be fixed by the court, or be forever foreclosed from any right, title or interest in and to said premises, or any part thereof.

2. That the defendants, and each of them, set forth their claims or interests in said premises, or any part thereof, if any they have, and that such claims and interests be adjudged to be subject to the right, title, and interest of the plaintiff, and that said plaintiff's title be quited against the defendants, unless the said defendants make payments for the amounts due within the time to be fixed by the court.

3. For such other equitable relief as may be necessary in the premises.

TANNER, ODELL, ODELL & TAFT,

By S. W. ODELL,

Attorneys for Plaintiff.

EXHIBIT "A."

(Printed at pages 11 to 15.)

EXHIBIT "B."

(Printed at pages 15 to 17.)

State of California, County of Los Angeles—ss.

S. W. Odell, being duly sworn, deposes and says:

That he is president of the plaintiff corporation in the foregoing and above entitled action; that he has heard read the foregoing complaint and knows the contents thereof, and that the same is true of his own knowledge, except as to the matters and things therein stated on his information and belief, and that as to those matters and things he believes it to be true.

S. W. ODELL.

Subscribed and sworn to before me this 16th day of Feby., 1915.

(Seal)

R. R. TANNER,

Notary Public in and for Said County, State of California.

[Endorsed]: Original. No. B 7 Eq. In the District Court of the United States, Southern District of California, Southern Division. Ventura Cal. Oil Co., a corporation, plaintiff, vs. Pacific Petroleum Co., a corporation, *et al.*, defendants. Second Amended Complaint to Quiet Title and Foreclose Contract. Received copy of the within 2nd am. complt., this 16 day of February, 1915. Porter & Sutton, attorney for defendants. Denis & Loewenthal, Atty. for S. W. Dorsey. Feb. 16, '15. Theodore Martin, solicitor for Penn Devpt. and Cochran. Feb. 16, 1915. Filed Feb. 16, 1915. Wm. M. Van Dyke, clerk; by Chas. N. Williams, deputy clerk. Tanner, Odell, Odell & Taft, 910-21 California Building, Main 1922, Home F1922, Los Angeles; 202-4 Dudley Block, Main 31, Home 1132, Santa Monica; Boston Block, Main 1196, Home 1057, Pasadena, attorneys for plaintiff.

*In the District Court of the United States, Southern
District of California, Southern Division.*

VENTURA CALIFORNIA OIL COMPANY, a Corporation,

Plaintiff,

vs.

PACIFIC PETROLEUM COMPANY, a Corporation,
STEPHEN W. DORSEY, PENN DEVELOP-
MENT COMPANY, JOHN DOE, RICHARD
DOE, JANE DOE and MARY ROE and W. H.
COCHRAN,

Defendants.

**Answer of Penn Development Company to Second
Amended Complaint.**

ANSWER.

To the Honorable, the Judges of the United States
District Court for the Southern District of Cali-
fornia:

The defendant Penn Development Company now, and
at all times hereafter, saving and reserving to itself
any and all manner of benefit, or advantage of excep-
tion, or otherwise that can, or may be had, or taken
to the many errors, uncertainties and imperfections
in the second amended bill of complaint herein con-
tained, for answer thereunto, or to so much thereof
as this defendant is advised it is material, or necessary
for it to make answer unto, answering says:

First: This defendant admits that the plaintiff is a
corporation organized under the laws of the state of
California; and that the Pacific Petroleum Company

and the Penn Development Company are corporations organized under the laws of the state of Delaware.

Second: This defendant denies that the plaintiff is the owner of or in possession of the certain real estate particularly described in the paragraph marked "II" of the said second amended bill of complaint, or of the oil wells situated on the said property, or of the personal property thereon and used in connection therewith, as is in the said paragraph marked "II" of said second amended bill of complaint particularly alleged and set forth, or any part thereof. And this defendant alleges, that, on the contrary, it is the owner of and in possession of the said real estate and all the oil wells and personal property thereon.

Third: This defendant denies the allegations of the paragraph marked "III" of the second amended bill of complaint herein. And it alleges that, on the contrary, it is the owner of and in possession of the said real estate and all the oil wells and personal property thereon.

Fourth: This defendant admits the allegations of the paragraph marked "I" of the alleged second cause of action in the said second amended bill of complaint herein, to-wit, that the plaintiff is a corporation organized under the laws of the state of California and that the Pacific Petroleum Company and the Penn Development Company are corporations organized under the laws of the state of Delaware.

Fifth: In answer to the paragraphs marked "II" and "III" of the said alleged second cause of action of the said second amended bill of complaint herein this defendant, while not admitting the certain agreement

and the assignment thereof particularly referred to in the said paragraphs, leaves the plaintiff to its offer and proof thereof on the trial of this action; and also alleges that such agreement and assignment thereof, even if made, are immaterial and irrelevant to the issues raised by and involved in this action, and that the same have no force, nor effect, nor any bearing whatsoever, either in law, or in equity, nor have they, or either of them, any lien or cloud upon this defendant's hereinbefore mentioned property and estate and its title thereto.

Sixth: This defendant denies the allegations of the paragraph marked "IV" of the said alleged second cause of action of the said second amended bill of complaint herein. And this defendant alleges that, on the contrary, it is now, and at the time of the commencement of this action was, and ever since the eleventh day of March, 1914, has been, the owner in fee simple of all the aforementioned real estate and the personal property thereon.

Seventh: This defendant admits so much of the allegations of the paragraph marked "V" of the alleged second cause of action of the said second amended bill of complaint herein, as alleges that this defendant has not paid to the plaintiff the sum of fifteen thousand dollars, nor transferred, or caused to be transferred the particular mortgage bonds described in the said paragraph "V." And it denies that at any time it was legally, or equitably bound, or required to make such payment, or such transfer of bonds, and that by reason of said failure it has

forfeited all, or any, right to the aforesaid premises, or any part thereof.

Eighth: And further answering the said second amended bill of complaint herein, and for a defense thereto, this defendant alleges as follows, to-wit:

That, on March eleventh, 1914, it purchased and acquired for a good and valuable consideration, all the certain real and personal property particularly described and referred to in the said second amended bill of complaint herein; and that ever since then it has been, and still is, the owner thereof in fee simple, and been in continuous possession thereof.

And it further alleges that neither the plaintiff, nor either of the other defendants herein, have any right or title to the said property, or any part thereof, nor any interest in or claim whatsoever against the same.

Wherefore, this defendant Penn Development Company demands that the said second amended bill of complaint herein be dismissed, together with the costs of this defendant herein most wrongfully sustained.

PENN DEVELOPMENT COMPANY,

By GEORGE KOPPENHOEFER, JR.,

President.

W. H. COCHRAN,

THEODORE MARTIN,

Solicitors for Defendant Penn Development Co.

[Endorsed]: Original. No. B-7 Eq. In the United States District Court, Southern Division, Southern District of California. Ventura-California Oil Company vs. Pacific Petroleum Company, *et al.* Answer of Penn Development Company to Second Amended Complaint. Received copy of the within answer this 25th

day of March, 1915. Tanner, Odell, Odell & Taft. M. K. Young, solicitor for plff. Filed Mar. 25, 1915. Wm. M. Van Dyke, clerk; R. S. Zimmerman, deputy. Theodore Martin, W. H. Cochran, suite 918 Security Building, Los Angeles, Cal., solicitors for certain dfts.

*In the District Court of the United States, Southern
District of California, Southern Division.*

VENTURA CALIFORNIA OIL COMPANY, a Corporation,

Plaintiff,

vs.

PACIFIC PETROLEUM COMPANY, a Corporation; STEPHEN W. DORSEY, PENN DEVELOPMENT COMPANY, JOHN DOE, RICHARD ROE, JANE DOE, and MARY ROE and W. H. COCHRAN,

Defendants.

Separate Answer of Defendant, Pacific Petroleum Company, to Plaintiff's Second Amended Complaint.

Now comes the defendant Pacific Petroleum Company and separately answers plaintiff's second amended complaint as follows:

I.

Answering the first count of said complaint, said defendant denies that plaintiff is, or at any time since the 11th day of March, 1914, has been, the owner of the real property described in said complaint, or of any part of said real property, or of any interest

therein; but this defendant alleges that defendant Penn Development Company is now, and ever since the 11th day of March, 1914, has been, the owner in fee of all said real property; that on or about the 8th day of November, 1914, the Superior Court of the county of Los Angeles, state of California, in an action then pending in said court, entitled "Pacific Petroleum Company, plaintiff, vs. Penn Development Company, defendant," duly made and rendered its judgment therein in favor of said Pacific Petroleum Company, one of the defendants therein, and against said Penn Development Company, one of the defendants herein, for \$350,000.00 and \$9.75 costs; that a duly certified transcript of said judgment was, on the 1st day of December, 1914, duly recorded in the recorder's office of Ventura county, California, within which all said real property is situated; that said judgment has not been set aside or modified or paid in whole or in part, but is in full force and effect and ever since the 1st day of December, 1914, has been, a lien on all said real property, superior to all rights, if any, of plaintiff therein, and that this defendant Pacific Petroleum Company is still the owner of said judgment and of said lien thereunder.

II.

Answering the second count of said complaint, this defendant denies that the defendant Penn Development Company ever entered into any agreement with this defendant by which said Penn Development Company obtained any interest in the real property described in said complaint, or in any part of said real property, and denies that any interest ever acquired

by said Penn Development Company was taken subject to any right, title or interest of plaintiff therein, and denies that the \$15,000.00 referred to in paragraph V of said count has not been paid; admits that \$25,000.00 par value bonds have not been delivered to plaintiff, but alleges that this defendant duly authorized the issuance of bonds, including said bonds for plaintiff; that temporary receipts for such bonds were executed by this defendant and delivered to and accepted by plaintiff; that this defendant has been hindered and delayed in the actual issuance and delivery of its bonds by the refusal of the trustee agreed upon to act, by litigation and by other unforeseen events, but that this defendant intends in good faith to execute and deliver its said bonds to plaintiff as agreed, and that plaintiff has not been prejudiced or damaged by such delay in the issuance and delivery of said bonds; and this defendant denies that by reason of its failure to deliver said bonds or by reason of any failure on the part of this, or any other defendant, this defendant, or any of said defendants, have forfeited all or any right to said premises or to all or any moneys paid under said contract.

III.

As a separate and further defense to the second count of said complaint, this defendant alleges that defendant Penn Development Company is now, and ever since the 11th day of March, 1914, has been, the owner in fee of all said real property; that on or about the 8th day of November, 1914, the Superior Court of the county of Los Angeles, state of California, in an action then pending in said court, entitled

"Pacific Petroleum Company, plaintiff, vs. Penn Development Company, defendant," duly made and rendered its judgment therein in favor of said Pacific Petroleum Company, one of the defendants herein, and against said Penn Development Company, one of the defendants herein, for \$350,000.00 and \$9.75 costs; that a duly certified transcript of said judgment was, on the 1st day of December, 1914, duly recorded in the recorder's office of Ventura county, California, within which all said real property is situated; that said judgment has not been set aside or modified or paid in whole or in part, but is in full force and effect and ever since the 1st day of December, 1914, has been, a lien on all said real property, superior to all rights, if any, of plaintiff therein, and that this defendant Pacific Petroleum Company is still the owner of said judgment and of said lien thereunder.

Wherefore, this defendant prays that plaintiff take nothing by this action and that this defendant recover from said plaintiff its costs and disbursements in this action.

PORTER & SUTTON,

Attorneys for Defendant Pacific Petroleum Company.
State of California, County of Los Angeles—ss.

Stephen W. Dorsey, being first duly sworn, deposes and says:

That he is an officer, to-wit, president, of the Pacific Petroleum Company, one of the defendant corporations in the above entitled action, and makes this verification for and on behalf of said corporation; that he has read the foregoing separate answer of defendant Pacific Petroleum Company to plaintiff's

second amended complaint, and knows the contents thereof, and that the same is true of his own knowledge, except as to the matters therein stated on information or belief, and as to those matters that he believes it to be true.

STEPHEN W. DORSEY.

Subscribed and sworn to before me this 25 day of March, 1915.

(Seal)

CHARLES T. SUTTON,

Notary Public in and for the County of Los Angeles,
State of California.

[Endorsed]: B-7 Eq. In the District Court of the United States, Southern District of California, Southern Division. Ventura-California Oil Company, a corporation, plaintiff, vs. Pacific Petroleum Company, *et al.*, defendants. Separate Answer of Defendant Pacific Petroleum Company to Plaintiff's Second Amended Complaint. Received copy of the within Sep. Ans., etc., this 31st day of March, 1915. Tanner, Odell, Odell & Taft, attorneys for plaintiff. Filed Mar. 31, 1915. Wm. M. Van Dyke, clerk; R. S. Zimmerman, deputy. Porter & Sutton, 901 Central Bldg., Los Angeles, attorneys for Pac. Petroleum Co.

*In the District Court of the United States, Southern
District of California, Southern Division.*

No. B 7 Eq.

C. E. STONER, F. E. SCHAAD, D. L. PETERS,
E. B. RHODES and S. W. ODELL, Late Direct-
ors and Now Trustees of Ventura-California Oil
Company, a Corporation,

Plaintiffs,

vs.

PACIFIC PETROLEUM COMPANY, a Corpora-
tion, PENN DEVELOPMENT COMPANY, a
Corporation, W. H. COCHRAN, *et al.*,

Defendants.

Decree.

This cause came on to be heard in the above District Court on the 9th day of June, 1916, before the Hon. Oscar A. Trippet, judge of said court, and the plaintiffs appeared with Tanner, Odell & Taft and Peyton Moore, their attorneys, and the defendant Pacific Petroleum Company by Porter & Sutton, its attorney, and the defendant Penn Development Company and W. H. Cochran by Theodore Martin and W. H. Cochran, their attorneys, and it appearing to the court that the original complaint in this action was filed in the Superior Court of the state of California, in and for the county of Ventura, in an action entitled Ventura-California Oil Company, a corporation, plaintiff, vs. Pacific Petroleum Company, a corporation, Stephen W. Dorsey, Penn Development Company, a corporation, and W. H. Cochran, *et al.*, defendants, said action being numbered in said Superior Court 5190, on the

29th day of April, 1914, and that on the same date a notice of action or *lis pendens* was filed in the recorder's office of said Ventura county, and duly recorded in book 4 of notices of action, at page 126, and that thereafter, by order of said Superior Court of said county and state, the said cause was ordered removed to this District Court by order made June 3, 1914, and that a transcript of the proceedings was duly filed in this court on June 11, 1914, and that thereafter all parties appeared as aforesaid in this court, and such proceedings were had that the defendants Pacific Petroleum Company, a corporation, and Penn Development Company, a corporation, and W. H. Cochran, filed their answers herein, and that said defendant Stephen W. Dorsey was thereafter dismissed as a party defendant, and that fictitious defendants John Doe, Richard Roe, Jane Doe and Mary Roe were likewise dismissed, and that the said defendants Pacific Petroleum Company and Penn Development Company are corporations organized under the laws of the state of Delaware; and it further appearing to the court that since the beginning of this action the plaintiff in said action, the Ventura-California Oil Company, a corporation, by reason of a failure to pay the state license tax, under the laws of the state of California, had become a defunct corporation, and C. E. Stoner, F. E. Schaad, D. L. Peters, E. B. Rhodes and S. W. Odell were directors of said corporation at the time when said corporation became defunct, and by virtue of the laws of the state of California became, and now are, trustees of the said Ventura-California Oil Company, and vested with the property rights of said

corporation and entitled to prosecute this action, and by order of court the said trustees having been substituted as parties plaintiff herein instead of the said Ventura-California Oil Company, a corporation, the cause proceeded to trial, and evidence, oral and documentary, was introduced and the arguments of counsel were heard and the cause submitted for decision.

The court, being fully advised, orders, adjudges and decrees as follows:

1. That C. E. Stoner, F. E. Schaad, D. L. Peters, E. B. Rhodes and S. W. Odell, parties plaintiff, are the late directors and now trustees of the Ventura-California Oil Company, a corporation, under the laws of the state of California, and all the right, title and interest of the said Ventura-California Oil Company in its property and contracts, including the property and contracts hereinbefore mentioned, have become vested in the said persons as trustees.

2. That on the 22d day of July, 1913, Ventura-California Oil Company, a corporation, aforesaid, and Stephen W. Dorsey entered into a contract by which the plaintiff agreed to sell and the said Dorsey agreed to buy the property hereinafter mentioned for the considerations expressed in said contract, which contract was hereafter, on the 19th day of October, 1913, recorded in the recorder's office of the county of Ventura, state of California, in book 139, at page 34 of deeds, and a copy of which is annexed to the complaint herein marked Exhibit "A," reference to which is hereby made for further particulars; that the said Dorsey assigned his said contract in writing to the Pacific Petroleum Company, one of the defendants,

and by said assignment Pacific Petroleum Company assumed and agreed to pay the moneys to be paid as provided by said contract, and to perform all the covenants therein mentioned, and that said assignment was thereafter duly recorded in the records of Ventura county aforesaid on August 19, 1913, in book 139, of deeds, at pages 34, *et seq.*, of said records; that there became due on November 1, 1913, from the Pacific Petroleum Company by virtue of said contract, to the said Ventura-California Oil Company, the sum of fifteen thousand dollars (\$15,000) in cash, and there likewise became due to the said Ventura-California Oil Company first mortgage bonds on the 22d day of August, 1913, having a value of twenty-five thousand dollars (\$25,000); that said bonds were not delivered and have not and cannot be delivered and there is now due, owing and unpaid the said sums with interest thereon at the legal rate of seven per cent per annum; as provided by the laws of the state of California, from the dates when the same became due, from the Pacific Petroleum Company, a corporation, to the plaintiffs as trustees of the Ventura-California Oil Company, a corporation, a total sum of forty-seven thousand nine hundred fifty-one dollars (\$47,951.00); that the said amount is a part of the purchase price of said premises, and that plaintiffs as trustees of Ventura-California Oil Company, a corporation, have a first lien upon the said premises hereinafter mentioned by reason of their said contract for the payment of said amount, and that all the right, title and interest of the defendants Pacific Petroleum Company, Penn Development Company and W. H.

Cochran and all persons or corporations claiming by, through and under them, are inferior to and subject to the said lien.

3. That an agreement entered into between the defendants Pacific Petroleum Company on one part and Penn Development Company on the other part, dated February 17, 1914, wherein Penn Development Company agreed to advance moneys to purchase the property hereinafter mentioned at a trustee's sale made or to be made by the Citizens Trust & Savings Bank as trustees, under and by virtue of a deed of trust given by Ventura-California Oil Company dated February 19, 1913, and recorded February 27, 1913, in book 137 of deeds, at page 24, records of Ventura county, state of California, and the deed made in pursuance of said sale to William H. Cochran by said Citizens Trust & Savings Bank, trustee, dated March 11, 1914, and recorded March 31, 1914, in book 142 of deeds, at page 234, in the records of said Ventura county, and the deed made by William H. Cochran, trustee, to said Penn Development Company dated March 23, 1914, and recorded in book 145 of deeds, at page 29, records of said Ventura county, constituted and were and are, insofar as the interests of the Ventura-California Oil Company are concerned in the premises hereinafter mentioned, a mortgage, and as such are subject to and inferior to the title and rights of the plaintiffs herein.

4. That the defendants Pacific Petroleum Company or Penn Development Company, within ninety days from this date, pay to the plaintiffs C. E. Stoner, F. E. Schaad, D. L. Peters, E. B. Rhodes and S. W. Odell, as trustees of the Ventura-California Oil Company, a

corporation, \$47,951.00, with interest to be computed thereon from this day until paid, at the rate of seven per cent per annum, also the costs of this suit, taxed at \$27.30 by the clerk of this court; that in default of said payment being made as aforesaid by said defendants, or either of them, then and in that case that all and singular the said premises mentioned in the complaint in this cause, to-wit:

That property situate in the county of Ventura, state of California, particularly described as follows:

The Agasthenes Oil Placer Mining Claim, embracing lots four (4), five (5), ten (10) and eleven (11), containing one hundred twenty and $69/100$ (120.69) acres.

The Agapetus Oil Placer Mining Claim, embracing lot nine (9) and the north one-half ($1/2$) of the south-east quarter and the northeast quarter of the southwest quarter, containing one hundred and sixty acres (160).

The Agapenor Oil Placer Mining Claim, embracing lots six (6) and eight (8) and the west one-half of lot seven (7), containing one hundred and sixty (160) acres.

The Agareni Oil Placer Mining Claim, embracing lots one (1), two (2) and three (3), and the east one-half of lot seven (7), containing one hundred and twenty-eight and $85/100$ (128.85) acres.

All in section 5, township 4, north range 19 west, San Bernardino base and meridian, according to the surveys made by the United States Government, and all situate in the Little Sespe Petroleum Mining District, in the county of Ventura, state of California,

United States of America, and containing a total of 569.54 acres; together with the oil wells situate thereon, and the personal property thereon, used in connection therewith, including pumps, tanks, oil in tanks, derricks, pipe lines, casing, drilling rigs, boilers and other tools and appliances;

or so much thereof as may be sufficient to realize the amount due to the plaintiffs, principal and interest, over and above the costs of suit, and which may be sold separately without material injury to the parties interested, be sold for cash in hand at public vendue to the highest and best bidder by John E. Beman, special master in chancery and commission (the said John B. Beman being hereby appointed such special master in chancery and commissioner for such purposes, said John B. Beman to qualify as such special master and commissioner by giving a bond in the sum of five thousand dollars, to be approved by this court, and taking the oath of office required of officers of this court before advertising such sale); at the main door of the court house in said county of Ventura at the hour of one o'clock p. m. on a day to be selected by him for such sale; that the said special master give public notice of the time and place of said sale by previously publishing the same for the space of four successive weeks in a public newspaper published in said Ventura county, and by posting a similar notice particularly describing the property for twenty days preceding said sale in three public places of the township where the property is situated, and in the township where the property is sold; that the plaintiffs, or any of the parties in this cause, may become the

purchaser or purchasers of said property at such sale; that the said special master on the sale of such premises being made, shall execute a certificate of purchase to the purchaser or purchasers thereof, which certificate shall specify the lands or tenements purchased and the sum paid therefor, or if purchased by the plaintiffs herein, the amount of their bid and the time the purchaser or purchasers will be entitled to a deed for such lands or tenements, unless the same shall be redeemed according to law, which time shall be the same as the redemption periods allowed by the laws of the state of California from sales under executions, and on foreclosures of mortgages; and the said master shall also file in the office of the recorder of said county of Ventura a duplicate of such certificate, signed by him; and the said special master, out of the proceeds of said sale, shall retain his fees, which fees are hereby fixed at the sum of \$100.00; and he shall pay the officers of this court their costs in this suit, and out of the remainder of the said proceeds he shall pay to the said plaintiffs the amount found due, to-wit, the sum of \$47,951.00, together with legal interest at the rate of seven per cent per annum thereon from the date of this judgment to the date of said sale; or if such remainder shall be insufficient to pay the whole of said amount and interest as aforesaid, then he shall apply said remainder to the extent to which it may reach in the satisfaction of said amount and interest, and the said special master shall take receipts from the respective parties to whom he may have made payments as aforesaid, and file the same together with his report of said sale in this court; and

in case said premises shall sell for more than sufficient to pay the principal, interest and costs in this suit, then the said special master, after making the payments as aforesaid, shall bring the surplus moneys into this court without delay to abide the further order thereof; that the said defendants, and their successors in interest, heirs, executors, administrators grantees, or any person or corporation holding under, by or through them, be forever barred and foreclosed from all equity of redemption and claim of, in and to said premises and any part and parcel thereof, if the same are not by said defendants, or either of them or their heirs, successors, assigns, executors, administrators or grantees, redeemed according to the law within twelve months from the date of said sale; that all judgment creditors whose judgments were obtained since the commencement of this suit, if any there be, and any persons claiming under them, be forever barred and foreclosed from all equity of redemption and claim of, in and to said mortgaged premises or any part and parcel thereof, if the same are not by the said judgment creditors or their representatives redeemed according to law within the time allowed by the laws of the state of California as aforesaid; that at the expiration of the said time, if the said lands are not redeemed as aforesaid, then and in that case upon the production to the special master in chancery aforesaid of the certificate of purchase executed by him as aforesaid to the purchaser or purchasers of said mortgaged premises by said purchaser or purchasers, their representatives or assigns, said special master shall make, execute and deliver to said purchaser or purchasers or his or

their representatives or assigns, a good and sufficient conveyance in fee simple of such premises or such part thereof as shall have been sold.

That upon the execution and delivery of the conveyance as aforesaid the said purchaser or purchasers, his or their representative or assigns, be let into the possession of said mortgaged premises, and that any of the parties in this cause who may be in possession of said premises or any part thereof and any person who since the commencement of this suit and the filing of the notice of action thereof has come into possession under them, or either of them, of said premises or any of said property, on production of the special master's deed of conveyance of said premises and a certified copy of the order of this court confirming the report of said sale, surrender possession thereof to such purchaser or purchasers, their representatives or assigns, and on refusal so to do, shall be considered in contempt of this court; that the purchaser or purchasers, from the time of the sale until a redemption as aforesaid, and any redemptioner from the time of his redemption until another redemption may be had, is entitled to receive from any tenant in possession the rents of the properties sold or the value of the use and occupation thereof; that should it be necessary to prevent waste or to perform work and labor under the laws of the state of California or of the United States for the protection of the titles to said property and as required by the mining laws, the said purchaser or purchasers of said premises, or any part thereof, may apply at the foot of this decree for an order permitting such purchaser or purchasers

to do and perform such work or labor or to restrain waste, and an order shall be made permitting the said purchaser or purchasers to enter upon said premises for such purpose, to perform such work and labor, and restrain waste, and the cost and expense thereto shall be reported to this court for its approval, and thereupon such amount shall be paid by any redemptioner or redemptioners in addition to the purchase price and interest as provided under the redemption laws of the state of California aforesaid to such purchaser or purchasers upon such redemption being made.

That if the moneys arising from such sale shall be insufficient to pay the amount so due the plaintiffs, with the interest and costs and expenses of said sale aforesaid, the said special master shall specify the amount of such deficiency in his report of such sale, and that on the coming in and confirmation of said report the said defendant the Pacific Petroleum Company, which is personally liable for the payment of the debt, shall pay to the plaintiffs the amount of such deficiency with interest thereon from the date of such last mentioned report and judgment shall be docketed by the clerk of this court against said defendant for such deficiency, and the plaintiff shall have execution therefor.

That the special master in chancery shall report his proceedings in the premises to the court within ten

days after the date of any sale that he may make under this decree.

Done in open court this 1st day of Aug., 1916.

OSCAR A. TRIPPET,

Judge.

Decree entered and recorded August 1, 1916.

WM. M. VAN DYKE, Clerk.

By Leslie S. Colyer,

Deputy Clerk.

[Endorsed]: Original. No. B-7 Eq. In the District Court of the United States, Southern District of California, Southern Division. C. E. Stoner, F. E. Schaad, *et al.*, etc., plaintiffs, vs. Pacific Petroleum Company, *et al.*, defendants. Decree. Received copy of the within judgment this 22nd day of July, 1916. Porter & Sutton, attorneys for dft. Pacific Petroleum Co. Recd. copy of the within judgment this 22d day of July, 1916. Theodore Martin, J. E. W., Atty. for dft. Penn Dev. Co. and W. H. Cochran. Filed Aug. 1, 1916. Wm. M. Van Dyke, clerk; by Leslie S. Colyer, deputy clerk. Tanner, Odell, Odell & Taft, 910-21 California Building, Main 1922, Home F1922, Los Angeles; 222-4 Dudley Block, Main 31, Home 1132, Santa Monica; Boston Block, Main 1196, Home 1057, Pasadena, attorneys for plaintiff.

*In the District Court of the United States, Southern
District of California, Southern Division.*

No. B 7 Eq.

C. E. STONER, F. E. SCHAAD, D. L. PETERS,
E. B. RHODES, and S. W. ODELL, Late Directors
and Now Trustees of Ventura-California Oil
Company, a Corporation,

Plaintiffs,

vs.

PACIFIC PETROLEUM COMPANY, a Corporation,
PENN DEVELOPMENT COMPANY, a Corporation,
W. H. COCHRAN, *et al.*,

Defendants.

**Statement of the Evidence Pursuant to
Equity Rule 75.**

(Testimony of S. W. Odell.

S. W. Odell, called as a witness on behalf of the plaintiffs, testified as follows: I am one of the parties plaintiff, substituted here; I was a director of the Ventura-California Oil Company, the plaintiff at the beginning of this action, and am still a director and trustee. I was also president of the corporation at all times mentioned in the complaint and a member of the board of directors, and I have personal knowledge of all the transactions which occurred and which are set forth in the complaint in this action. I was familiar with the transaction wherein the Ventura-California Oil Company executed an agreement of sale with Stephen W. Dorsey; I drew the papers in that case; that agreement was in writing; I have the agreement and the assignment of it here.

(Testimony of S. W. Odell.)

By Mr. Moore: Q. Now, I will ask you about that assignment. As I understand they are both on one paper?

Mr. Martin: They are two separate papers. They may be attached together by a clip, but they are two separate papers.

(Witness continues): The signature to the agreement is the signature of myself as president and Mr. Peters as secretary, with the seal of the Ventura-California Oil Company attached, and also the signature of Stephen W. Dorsey. I saw him sign it, and the same were acknowledged. Stephen W. Dorsey also executed the assignment. I saw him execute it. He executed it before me as a notary public. They were recorded as one instrument. I recorded them myself.

Mr. Moore: We will offer the agreement between the Ventura-California Oil Company and Stephen W. Dorsey and ask that it be admitted in evidence.

Mr. Martin: We object to the introduction of the document as wholly irrelevant and immaterial to the issues here.

Mr. Martin: It is stipulated that in February, 1913, the title to the property in question was in the Ventura-California Oil Company.

The Court: The objection is overruled. Let these documents be filed. They are marked Exhibits "A" and "B" respectively in the complaint.

Mr. Martin: Exception.

The agreement and assignment are marked, respectively, Exhibits A and B.

(Testimony of S. W. Odell.)

The Court: Let the endorsement of recordation also be admitted in evidence. Recorded at the request of Tanner, Taft & Odell, August 19, 1913, in book 139 of deeds, page 34, records of Ventura county.

Mr. Martin: The witness was only testifying to Exhibit A, the contract, and I assume my objection only went to that particular contract. I would like now to have the objection apply to Exhibit B, which is the assignment.

Objection overruled. Exception.

(Witness continues): That paper calls for the payment of certain moneys to the Ventura-California Oil Company and the delivery of certain bonds. I know that the \$15,000.00 cash payment called for by that agreement was not paid, the \$25,000.00 par bonds called for by that agreement were not delivered to the Ventura-California Oil Company. There were printed forms of receipts given, they were called interim bonds which are not bonds, but simply receipts showing that when they are issued the bonds would be delivered; I do not know of my own knowledge whether those bonds were ever issued, but I had information which would be purely hearsay that they were not; I know that the certain trust deed referred to in that agreement, and which under that agreement the Pacific Petroleum Company should pay or cause to be paid, was not paid by any other method than the Penn Development Company advancing certain moneys; I know from the contract which I have seen between Penn Development Company and the Pacific Petroleum Company that the Penn Development Company

(Testimony of S. W. Odell.)

advanced the money; I also know it because I was present at the time of the sale and Mr. Cochran was present representing the Penn Development Company and that he turned the money over to the Citizens Trust and Savings Bank, and that Mr. Cochran afterwards stated to me that they had advanced something over \$29,000.00.

Mr. Martin: I object to that as the witness says the Penn Development Company advanced this money. Mr. Cochran bought the property and transferred it later to the Penn Development Company, representing the Penn Development Company as trustee to buy it in.

The Court: Objection overruled, but if the evidence turns out to be hearsay, it will not be regarded.

(Witness continued): I state that Mr. Cochran himself told me that he was trustee and that I have seen the form of deed which ran to him as trustee, and counsel for defendant has it in possession in court.

Thereupon counsel for defendant produced said deed from Mr. Cochran as trustee to Penn Development Company.

Mr. Moore: I offer in evidence deed from Mr. Cochran, trustee, to the Penn Development Company.

Mr. Martin: I object to the introduction as it has no bearing on the case and is immaterial.

Objection overruled. Exception.

Deed marked "Plaintiff's Exhibit C."

(Witness continues): Prior to the purchase of the property by Mr. Cochran as trustee of the Penn Development Company, I had a conversation with him in

(Testimony of S. W. Odell.)

regard to the property, and while the advertising of the sale under the deed of trust was pending.

Mr. Martin: We object on the ground that any conversation or transactions prior to the giving of this deed to Mr. Cochran, as trustee, are entirely merged in it.

The Court: I think it is preliminary. It may be relevant and may not.

Objection overruled.

Mr. Martin: Exception.

(Witness continues): Q. "Will you state what that conversation was—I mean in regard to the purchase of this property."

Mr. Martin: Same objection.

The Court: Now, the relevancy of that would depend upon who these parties were.

Mr. Moore: We offer in evidence the agreement between the Penn Development Company and the Pacific Petroleum Company, dated February 17, 1914.

Mr. Cochran: We object on the ground that it is irrelevant and immaterial.

Objection overruled. Exception.

Agreement marked "Plaintiff's Exhibit D."

Mr. Porter: May it be understood that all objections and exceptions made by one defendant, shall be deemed made by both?

The Court: Yes, sir. An order will be made to that effect.

(Witness continues.) Mr. Moore: Q. "Now, I am asking you about the conversation you had with Mr. Cochran."

(Testimony of S. W. Odell.)

The Court: The objection to this conversation will be overruled.

Mr. Cochran: Exception.

(Witness continues): Mr. Cochran called on me at my office in company with Mr. Dorsey, in this city, prior to the sale of the property, and it seems to me it was in February, 1914, possibly 30 days prior to the sale, it was in that neighborhood; Mr. Cochran called on me with Senator Dorsey, who was at that time to my knowledge president of the Pacific Petroleum Company or an officer of the Pacific Petroleum Company, and we had been urging and requesting Mr. Dorsey to pay the interest on that Citizens Trust and Savings Bank trust deed in order to save it from foreclosure; he stated that he had made an arrangement with the Penn Development Company by which that would be taken care of; that statement was made in the presence of Mr. Cochran and within four feet of him; they were sitting close together; Mr. Cochran said, yes, they were arranging it so as to take over all these properties by the Penn Development Company, and that he was there in the interests of that corporation which was being formed and had been formed, and that the Penn Development Company proposed to get hold of the property that the Pacific Petroleum Company had and that the Ventura-California Oil Company need not be alarmed, that it would see that the contract between us and Dorsey and the Pacific Petroleum Company would be carried out; at that time through Mr. Stoner and others we were negotiating to get a loan to take this matter up and relying on your

(Testimony of S. W. Odell.)

statement we ceased further prosecutions of this loan and didn't endeavor to pay up because we understood that the Penn Development Company would take care of it, being a stronger corporation.

Mr. Martin: I move to strike out all of this testimony as wholly incompetent, irrelevant and immaterial.

Motion denied. Exception.

(Witness continues): We didn't take any steps for the purpose of protecting the company's interests under this trustee's sale because we relied upon Senator Dorsey, who we thought was reliable, and upon what Mr. Cochran said at that time; at that time we didn't know the contents of this contract which has been introduced in evidence—didn't discover the contents of it until after the sale, a considerable time.

Mr. Moore: Q. "Is there anything else you desire to—

A. Nothing else as to those points. I desire to make a statement regarding the value of these bonds. The purchase price is stated in the contract and the bonds were represented to us by the Pacific Petroleum Company to be first mortgage bonds, which would be—"

Mr. Martin: We object to this testimony as outside of the issues and as irrelevant and immaterial.

Objection overruled. Exception.

(Witness continues): A. "And that they would be par value, gilt edge security, being part of the purchase price of this property; the bonds were not delivered nor were they ever presented to us nor tendered to us; the stock they did hand to us, that is,

(Testimony of S. W. Odell.)

they handed it to Mr. Peters, but I doubt very much whether it was handed to the company, but he had it in his possession."

Cross-Examination by Mr. Cochran:

(Witness continues):

I fix the date of my conversation with Mr. Cochran by the reason of the statement that he made then that an agreement had been entered into with Dorsey to the date of that agreement, and also by the fact that it was shortly before the sale. It might have been 30 days before the sale, but I am not sure. Prior to the sale I saw Mr. Cochran only once and I also saw him on the day of the sale. I don't think that the Citizens Trust and Savings Bank first advertised this property for sale about August, 1913, when the first interest became due; Mr. Martin gave us notice that his people would demand a foreclosure unless we paid it about that time, and I am not so sure when the first publication was made. It is not a fact that in the one interview which I had with Mr. Cochran that I stated I was simply a dummy president and that the real management and conduct of the affairs of the company were in the hands of D. L. Peters, one of our largest stockholders who controlled some 50 odd per cent, and that Peters managed and conducted the affairs of the company, and that I was simply a dummy president acting under instructions from him. I did state that I had not a great interest in it, and that my interest was small as compared with others; Mr. Peters was the active manager in controlling the wells and trying to sell the property, he was our secretary

(Testimony of S. W. Odell.)

and treasurer and received the money and paid it out on orders of board of directors; the \$10,000.00 referred to in the Ventura-California agreement with Dorsey was paid to the company. I don't recall that when Mr. Cochran went first to my office he was there solely for the purpose of asking me about certain abstracts of title of properties other than the Ventura-California Oil Company, but I know that he did speak of certain abstracts; I know that Mr. Cochran requested to see these abstracts which were in my possession as attorney for the Pacific Petroleum Company in certain transactions; it was in that communication that Mr. Cochran stated that he had gone into a contract with Mr. Dorsey and that is the reason he wanted to see the Pacific Petroleum abstracts. I am positive that when I first saw Mr. Cochran I had not seen a copy of the original agreement of February 17, 1914, between Pacific Petroleum Company and the Penn Development Company; I had not heard about it before that conversation with Mr. Cochran, although I had heard through Mr. Peters that negotiations were pending, but I didn't know that there was a contract; it must have been two or three months after the sale, maybe longer, when I first saw a copy of that agreement. I didn't attempt to do anything to stop the sale solely because of the representations which Mr. Cochran made to me at this particular interview. I want to say further that at the time of the sale Mr. Cochran and I were there and Senator Dorsey was there and Mr. Cochran made the same observations again to me. That he would take care of the Ventura-California Oil Company;

(Testimony of S. W. Odell.)

that his people would see that it got what was coming to it. Mr. Cochran stated it to me personally at the bank at the time of the sale. It must have been two or three or maybe more months after the sale before I saw a copy of the contract; I took an interest in the contract, but I didn't see it and I didn't go any further into its terms than to understand from Mr. Cochran and from Mr. Dorsey that the Penn Development Company would agree to take our contract and I was not interested as to what their relations were; I know Peters didn't have a copy of that agreement because he was as much surprised as I at the terms of it when he found it. Prior to the sale of this property on March 11, 1914, and subsequent to this interview which I say I had with Mr. Cochran I didn't send Peters over to see Senator Dorsey or Mr. Cochran to make any inquiries about that agreement; Peters made untrue statements if he came either to Senator Dorsey or Mr. Cochran, or both of them and represented that he came from me to make certain specific inquiries about that agreement and asked to see it to learn certain facts which he said I wanted to know, because I never sent him; I do not remember Peters phoning me at my office and advising me about certain particulars of this agreement with the Penn Company a few days, if not the day before the sale of the property on March 11th; I don't think it would be customary for anyone in my office to say that it was me on the other end of the wire if it was not.

Q. "Well, do you remember Peters at the time I spoke of calling you on the phone and saying: 'Mr.

(Testimony of S. W. Odell.)

Odell I have the original Penn agreement before me, I have examined the option which you asked me about and I find it in good form and the acknowledgment to the agreement is also in due form, so that you don't need to worry about it. A. Never told me that. It never happened."

(Witness continues): I don't know that immediately on the return of Senator Dorsey from Philadelphia, on or about February 20, 1914, he saw Peters and gave him a copy of this Penn agreement, but that Peters was very angry that the agreement had been made and threatened legal proceedings to have it set aside; I was not consulted about that. I don't know that about 48 hours before the sale actually took place Peters was threatening to try and raise money, have Dr. Stoner as one of the principals in the raising of that money in order to bid in this property at that sale so that the Penn could not bid it in; Peters did not see me about trying to raise any money for the purpose of bidding it in during those 48 hours or 36 at the most before the sale; if he stated that he stated what was untrue. From August, 1913, down to March 11, 1914, the Ventura-California Oil Company had a very small amount of money, if any, in its treasury, but it did not have enough to pay the interest on the Citizens Trust and Savings Bank mortgage. Judge Martin notified me when this interest was not paid in August, 1913, that the principal of the mortgage was called and he simply delayed the actual advertising for a few days to see if I could not arrange for the payment of the whole amount; when the sale did first come up

(Testimony of S. W. Odell.)

under the published notice, it was adjourned several times. Between the time that this interest was due and the principal was called and before the sale was actually made the directors studied several plans to raise money to pay that principal and interest; we placed applications in the hands of two or three agents there in the city; Dr. Stoner and Mr. Schaad repeatedly stated to me that they thought they had the money placed, but they did not place it. Q. "Well, then, you made a number of efforts, both the company and you, as representing Peters and other real estate agents, and Dr. Stoner, a man who was a man of some financial means, and not one of you could raise the interest, let along paying the principal; is that it? A. Dr. Stoner said he didn't. But the Pacific Petroleum Company was to pay that and it was negotiating with the Penn Development Company in the east. Mr. Dorsey was east to see about it, and they had delayed matters and that is the only reason that Mr. Martin also delayed, because he thought possibly they could get that money from the east, and Mr. Cochran came out representing those people to take that matter up. That is what you did. Mr. Cochran: I move to strike out what I did. The Court: It will be stricken out. A. Now, don't you know that you and every other director and stockholder of your company were unable to raise money to pay that interest and principal long before you ever heard that Senator Dorsey was negotiating with the directors of the Penn Development Company? A. I know that we hadn't until that time been able to raise it. I myself personally didn't take much time

(Testimony of S. W. Odell.)

to it. But I know that Mr. Stoner and Mr. Schaad and Mr. Peters were constantly working on the proposition, and Mr. Dorsey was working on it and had gone east to see if he could place it there, and he came back later and stated to us in February, or somewhere about that time, that he had made arrangements with this Penn Development Company; he didn't say agreement he said arrangement." Q. Then after Mr. Dorsey came back all you heard was that he had gone and made some arrangement. No representations were made to you further than that, that he had made some arrangements, and then you sat back and did nothing until Mr. Cochran came out, and they *you* say he made some oral representations to you, and for that reason you didn't go in and bid at the sale; is that right? A. That is just about what I said. Q. Well, didn't you know that between the time you saw Mr. Cochran and the day of the sale you could not have raised a dollar of that or the Ventura-California Oil Company either? A. I know nothing about it; I don't know that Peters threatened to raise the money and go in and bid.

(Witness continues): On the day of the sale there were present Senator Dorsey, Mr. Cochran, Mr. Martin and Mr. Peters. I do not remember Mr. Cochran saying "Peters are you going to bid at this sale"; I do not remember Mr. Cochran coming over to me and saying: "Mr. Odell, the trust officer is reading this notice of sale of this property, aren't you coming over to it?" I don't remember Mr. Cochran saying it; I didn't say to Mr. Cochran: "I am not going over."

(Testimony of S. W. Odell.)

The conversation between Mr. Cochran and myself occurred while we were all standing waiting for the sale to come on, and it was at that conversation that Mr. Cochran assured us again that the Ventura would be taken care of; either myself or Mr. Peters said to Mr. Cochran "Now as I understand it—or we understand it—you are going to take care of the Ventura Company's contract"; and Mr. Cochran said "Yes, that is the understanding, we are going to carry that out"; we were quite anxious about it because we had not seen the Penn contract and we were taking Mr. Cochran's word for it; up to the time of the sale I had not seen that contract and did not know what its contents were. Q. "And yet you knew that Senator Dorsey had not up to that time made good, but you say he said the Penn was going to take care of that principal and interest and that as a matter of fact the sale was going on because he had not done it. A. Yes, sir; I know that. I relied very much on Mr. Dorsey; all I knew up to the time of the sale was that some arrangement had been made. I have been practicing law twenty-eight years. I didn't know that Senator Dorsey was not interested in the Penn Development Company; I thought he was a stockholder; Mr. Dorsey introduced me to Mr. Cochran as a representative of the Penn Development Company and before Mr. Cochran left that room I am inclined to think that I knew he was an attorney at law because he wanted to examine the abstracts. I am quite familiar with the Statute of Frauds and I know that under the Statute of Frauds that no individual or corporation could be

(Testimony of S. W. Odell.)

made liable under an oral promise to pay the indebtedness of a third person and that such promise had to be reduced to writing in order to make it legally binding on them. Q. "And yet, then, without having seen the contract, without even knowing whether it was oral or in writing,—in fact, as you say, you took no interest in it—knowing that you could not hold the Penn Development Company under anybody's oral promise, you say that is all you did, and you relied on Senator Dorsey's oral statement and Mr. Cochran's assurance it would be paid and you let them go on and sell it; is that it? A. No, I relied on my knowledge of the law which is that if you take subject to a contract, and the transfer is made subject to that contract, you take subject to that contract, you take subject to it. Q. Then you were relying on your complaint as drawn and not on what you claim here on the stand; isn't that right? A. No; I rely upon the knowledge that when the Penn Development Company stated it was taking this property over—or substantially stated—our contract being of record—and Mr. Cochran's statement that we would be taken care of—I relied upon my knowledge of the law that you would have to take care of that contract which is of record and that you could not get title unless you did take care of it." You will observe we are not suing upon this oral contract; we are stating that you deceived us and caused us to stop our efforts in getting this money by stating that you would take care of us. Q. Then, as a matter of fact, you do not rely, to recover in this action, on any representations which were made by Mr. Dorsey or Mr.

(Testimony of S. W. Odell.)

Cochran, do you? A. As construing the contract which I found afterwards you had entered into, I do rely upon those statements; I rely upon them because it explains that they were simply mortgages and nothing more."

Q. By Mr. Cochran: Well, when you say that these oral conversations which you say you had with Mr. Dorsey and Mr. Cochran tend to explain the Penn Development Company contract of February 17, 1914, and to show that, as a matter of fact, the Penn Development Company secured nothing but a mortgage, you are not relying, are you, upon the language of the contract, but, rather, upon your own construction and conclusion as to that contract. Is that correct? Now, just yes or no. A. Well, I will answer yes, with limitations. I will have to explain what I mean. As to the formal parts of the contract between the Pacific Petroleum Company and the Penn Development Company, I knew that soon after the sale when the copy was brought to me by Mr. Peters, who had secured it from Mr. Dorsey; until that time I don't suppose I knew there was such a contract, although I was impressed from what Mr. Cochran and others said, that there was some sort of an agreement entered into; I was so impressed at the interview between Mr. Cochran, Senator Dorsey and myself prior to the sale; I can't say that I knew that there was some written instrument between the Pacific Petroleum Company and the Penn Development Company but I suspected there was; I didn't inquire as to the terms, it was none of my business what your relations were; I am just positive that it was a considerable while after the sale

(Testimony of S. W. Odell.)

when I actually saw a copy of that agreement, it was all of thirty days and it might have been two or three months, but I never saw a copy of it until after this suit was instituted, and I am quite sure of that for if I had had a copy of it I would have attached it to my complaint; I did not have any detailed particulars about this agreement, before this suit was instituted, only there was some sort of an agreement, only I didn't know what it was. Q. "I call your attention to the original complaint in this action, which is verified by yourself on April 28, 1914. The sale was on March 11. And in that you allege: 'that thereafter, and on the 17th day of February, 1914,' that is, after this agreement between Dorsey and the Ventura-California Oil Company, which had been set up in the complaint ahead of this—** you allege in paragraph 4 'that thereafter, on the 17th day of February, 1914, as plaintiff is informed and believes and upon such information and belief alleges, the defendant, the Pacific Petroleum Company, and the defendant, the Penn Development Company, entered into an agreement without the knowledge or consent of plaintiff whereby'—and then you repeat the provisions of that agreement. Now I ask you how you can reconcile your statement that when this action was instituted you did not know the terms of that agreement and had not even seen a copy of it, and yet are able in that complaint in April to swear to the date of the agreement and its terms? A. In the first place the complaint does not contain the terms of the agreement. In the second place the dates seem to be correct, but my recollection is that

(Testimony of S. W. Odell.)

I did not have a copy of that agreement until then or shortly afterwards. I am not sure about that. It might have been within thirty days and it might have been later"; when I swore to that complaint it was from what I gathered from what Mr. Cochran and Mr. Dorsey told me and from the circumstances, and perhaps from what Mr. Peters had told me to some extent; Mr. Cochran never stated to me the terms of the agreement except that he stated he had an arrangement by which the Ventura-California Oil Company would be taken care of; Senator Dorsey never did give me the details of that agreement. Q. "And where did you get the details of that agreement? A. I have told you three or four times. Q. You said from Senator Dorsey and Mr. Cochran and Mr. Peters. A. Some from all of you." I don't admit that I put together the aggregate statement of these three different people and on that swore to the complaint which I think is a statement of facts. Q. "It was not a statement of facts itself, but your conclusions from what somebody told you. Is that correct? A. Yes, my conclusions." I was informed to some extent but not fully. I think I saw a copy in 1914, that is my recollection. Of course it has been nearly two years ago, and I didn't think this question was material in the matter so I have not refreshed my recollection. My first amended complaint was verified on January 12, 1915, I had knowledge of the Penn Development Company agreement before that time. When I used the expression that the Penn Development Company "advanced" the moneys with which this property was bought in on

(Testimony of S. W. Odell.)

March 11, 1914, I used the word "advanced" advisedly under the terms of the contract; I rely on that contract to sustain my allegation that the Penn Development Company advanced that money for the Pacific Petroleum Company. To sustain my statement that the Penn Development Company agreed to advance and subsequently did advance the sum in question, I rely on these parts of that agreement; after the formal opening there are recitals under "whereases"; "Whereas, Stephen W. Dorsey is the owner of a majority of the capital stock of the Pacific Petroleum Company, and whereas, the said Pacific Petroleum Company is under contract to purchase, in fee simple, certain oil properties in the state of California, and is the holder of certain leasehold interests in other oil properties.' Now, 'under contract to purchase' refers to the Ventura-California Oil Company." Now then, there is another one: "'Whereas, certain of the agreed purchase price has not been paid on certain of the properties under contract of purchase as aforesaid.' I think that refers to ours. 'Whereas, certain underlying mortgages assumed by the Pacific Petroleum Company have not been paid.' That refers to the Citizens Trust & Savings Bank. 'Whereas, the *the* Pacific Petroleum Company is indebted to various parties.' That might refer to us also." Now, here is where it is coming to show it was advanced: "'Whereas, the Pacific Petroleum Company is desirous of entering into an agreement under which its property may be, to such extent as may be found possible, preserved, upon the terms and conditions set forth in this agree-

(Testimony of S. W. Odell.)

ment.' Now, you are going to help them preserve their property." And again, "'Now, therefore, this agreement witnesseth, that in consideration of the premises, and of the mutual covenants herein contained, it is hereby agreed between the parties hereto, as follows: to-wit: First: The Penn Development Company agrees to purchase at a sum not exceeding thirty thousand dollars (\$30,000) at the forthcoming trustee's sale, the title in fee simple to the Ventura-California property, described as follows.'" Now, I say that when you are agreeing—

Mr. Cochran: I object to your arguing the matter.

The Court: Make your objection to the court.

Mr. Cochran: I object to the witness stating any conclusions of his from that agreement. My question is entirely confined to what paragraphs of that agreement he relies on to sustain his claim.

The Court: The motion is denied.

Mr. Cochran: Exception.

The Court: He has a right to explain what paragraph he relies upon and why he relies upon it. He is entitled to explain why.

A. Now, to preserve their properties, you are going to advance this money, the way I take it, under this contract to purchase at that sale. Then it proceeds: "The Penn Development Company is to take title to the same in fee simple absolutely without conditions or trust relations of any kind whatsoever, except the Penn Development Company shall forthwith enter into an option in the form attached hereto as Exhibit A." Then, "Second:"—

(Testimony of S. W. Odell.)

Q. Just pick out the clauses relating to this and I think it will save time.

A. Then regarding some other properties—I will not read that. “Fourth: The Pacific Petroleum Company hereby transfers, sets over and assigns to the Penn Development Company, all its right, title and interest of every kind and description in and to all the oil to be derived from the operation of all the properties owned or leased by it, or held under contract, to be held by the Penn Development Company. in trust: A—” Now, I state that it referred to our company because we had two producing wells and the oil produced there was to be taken—that is, we had a well that had been producing and one that was being at that time drilled and it was producing some oil. Now, you would get this oil—(reading) “A. To pay the expenses of operation in the production of the said oil, not including office expenses, or salaries of officers of the corporation; B. To retain the monthly sum of two thousand five hundred dollars (\$2,500) for the period of four (4) months from the date hereof, and thereafter to retain the monthly sum of five thousand dollars (\$5,000) until all the money advanced for the benefit of the Pacific Petroleum Company,—” and that is the reason I say that you advanced that money, \$30,000, to preserve its property, and you are going to get it back out of the profits. And that is a mortgage, and that is all it is. And that is the reason I said—

Mr. Cochran: I move to strike out his conclusion.

The Court: Now, you have asked him what para-

(Testimony of S. W. Odell.)

graphs he has relied upon, and he has pointed them out, and I think he has a right to explain why he relied upon them.

Mr. Cochran: Exception.

A. (Continuing): Now, further, I will read: Five thousand dollars to be retained "until all the money advanced for the benefit of the Pacific Petroleum Company shall have been paid to the Penn Development Company, or until such further period as shall be sufficient to pay to the Penn Development Company the amount to be paid under the option hereto attached as Exhibit A for the Ventura-California property." Now, Exhibit A is a very ordinary arrangement under the California law by which the property is mortgaged back and forth. Exhibit A is an option attached hereto. Yes, it is under the same cover, and always has been. Now, Exhibit A recites that, "Know all men by these presents that the Penn Development Company, a corporation organized," etc., "in consideration of one dollar," etc., "and the agreements herein, grant to the Pacific Petroleum Company, a corporation organized," etc., "an exclusive option to purchase the following described property, known as the Ventura-California property, at any time within three years for the sum of two hundred thousand dollars (\$200,000) in cash, and upon the further delivery to the Penn Development Company of twenty per cent of all the capital stock issued and outstanding issued by the Pacific Petroleum Company, or by its successor, less only as follows: A. Such stock as may be retained in the treasury," etc. "B. Such stock as may be issued and

(Testimony of S. W. Odell.)

delivered for the funding of indebtedness of the corporation: C. Such stock as may be issued and delivered for the payment in part purchase to other than the said Stephen W. Dorsey." "The following are conditions precedent to the exercise of the foregoing option: 1st. All outstanding bonds," etc.—that has nothing to do with us. "3rd. There shall be subtracted from the purchase price under this option: (a) Twice such sum as shall comprise the difference between the amount advanced by the Penn Development Company and one hundred thousand dollars (\$100,000); (b) Such sums as shall have been received by the Penn Development Company under the operation of subdivision 'b' of paragraph 'Four' of a certain agreement made and entered into between the Pacific Petroleum Company and the Penn Development Company, and dated the 17th of February, 1914." That is this very agreement. Now, when you figure out what that mean, it means that—

Mr. Cochran: I object to the witness stating what it means, and I move to strike it out.

The Court: The motion is overruled.

Mr. Cochran: Exception.

A. Now, taking all of that together, and also paragraph 5: "Should the Pacific Petroleum Company in its discretion, after the re-payment of the amount due to the Penn Development for advances cease the payment—" etc. Then there are certain other conditions. So that, taking these two contracts all together and the portions read, unquestionably the Penn Development Company was advancing the money to preserve

(Testimony of S. W. Odell.)

the properties of the Ventura-California Oil Company, and it was nothing more than a mortgage.

Q. By Mr. Cochran: That is, you mean to say, your view of the construction of it?

A. Well, I have a fine brief here which will prove it.

Q. Now as I understand you and as I understand your complaint, it is the theory of the Ventura-California Oil Company that because of this agreement with the Penn Development Company of February 17, 1914, the Penn Development Company acquired nothing more than a mortgage on the Ventura-California Oil Company's property when they bought it in 1914. Is that correct?

A. The Pacific Petroleum Company had the equitable title under this agreement of sale. It could mortgage that. It mortgaged it to the Penn Development Company in order to preserve it. It is subject, therefore, to our contract.

Q. Then the Pacific Petroleum Company had nothing to sell, did it?

A. It did. It had an equitable title under the contract.

Q. I ask you to point out in that agreement anything on which you can found the statements or the theory of your conclusion that the word "advances" is not by that contract limited to everything but the purchase of the Ventura-California oil property.

A. I have already stated specifically all about that. I will go through it again. This contract must be construed all together. The option and the agreement were given at the same time, attached together, and

(Testimony of S. W. Odell.)

they must be construed together. Every clause bears upon every other clause, therefore when it is stated in one part that in order to preserve the property you are going to make advances and then go on and state how you are going to make them, it must all be construed together as a matter of law. I think that the Ventura-California Oil Company purchase is not treated differently or separately.

Q. "I want to call your attention to the fact that the first reference to the word 'advances' by the Penn Development Company is used in paragraph 2 of that agreement, and I ask you if all agreement as to the Ventura-California Oil Company does not precede that, and I ask you, if you can find the word 'advance' or 'advances' in any way used in connection with the purchase of the Ventura-California Oil Company to find it and point it out. A. That is a very long question.

Mr. Moore: We object to it because the contract speaks for itself and it is incompetent, irrelevant and immaterial."

Objection sustained. Exception.

Mr. Cochran: The objection being sustained, I move to strike out the testimony of this witness by which and in which he attempted to construe this contract or give any of his conclusions or theories or deductions relative thereto, said objections being based merely on the ground that my question was entirely directed to asking him to point out on what paragraphs of that agreement he relied on to sustain his contention. Inasmuch as he gave his conclusions and deductions as to those paragraphs, and I am precluded from examining

(Testimony of S. W. Odell.)

him to show that his conclusions and deductions are not well founded, I move to strike out his testimony in that particular.

Motion denied. Exception.

Mr. Cochran: I offer in evidence the original deed of trust made February 19, 1913, between the Ventura-California Oil Company and the Citizens Trust & Savings Bank and The Benson Investment Company of the third part, marked "Defendants' Exhibit 1."

Mr. Cochran: At the time of this sale the Penn Development Company had not quite completed its registration in California, although the papers were here, so I, Mr. Cochran, telegraphed to the Penn Development Company and told them of the importance of it, and they instructed me to take it as trustee pending the filing of those papers, and when the filing was completed I transferred it. I offer in evidence the deed from William H. Cochran of the city of Philadelphia, trustee, to the Penn Development Company, a corporation organized and existing under the laws of the state of Delaware, covering the property in question and dated March 23, 1914, and recorded March 31, 1914, in the records of Ventura county, in book 145 of deeds, at page 29, marked "Defendants' Exhibit 2."

(Witness continues): Further

Cross-Examination by Mr. Porter:

Q. Hasn't Mr. Peters told you that Senator Dorsey paid to him \$25,000 or \$30,000?

A. I said to Mr. Peters in this way at one time, that your answer claimed that that \$15,000 was paid,

(Testimony of S. W. Odell.)

and he said it was not; that he and Mr. Dorsey had an agreement themselves and he furnished me a copy of the agreement and I have it, by which he was turning in the Midway Five and the Maricopa Union and three of their properties whereby he and Mr. Dorsey were to divide up all capital stock and bonds and cash they received for those properties from the Pacific Petroleum Company. He said to me that there had been some money turned over which belonged to the Maricopa Union and which was spent on the Maricopa Union and Midway Five, but what the sums are or the amounts I do not know.

Q. You don't know whether any payments were made since the date of this receipt?

A. I know there was not to the Ventura, because I attended all meetings and I have carefully looked over all of our books and consulted with Mr. Peters and I know positively that that \$15,000 was not paid to us.

Q. Mr. Peters I believe was secretary and treasurer of the company?

A. Well he was secretary. Mr. Schaad was treasurer.

Q. And Mr. Peters was the one to whom the \$10,000 originally was paid?

A. I will have to explain a little on that. That \$10,000 was paid in by Senator Dorsey on an original option which was taken by some English people some months before this and which fell through, and in giving him this contract we gave him credit for that \$10,000. It was paid into our treasury and went into

(Testimony of S. W. Odell.)

the bank in the name of the Ventura-California Oil Company. That is the only money we ever received from Senator Dorsey.

Q. And the stock in the Pacific Petroleum Company that you received, those stock certificates were delivered to Mr. Peters, were they not?

A. Mr. Peters had it in his possession and he handed it over to me. I think we have those stock certificates, but the interim bonds—I mean to say the bonds—we have not and never had them. Mr. Peters was a large stockholder in our company and he and Mr. Schaad together owned a majority, but I don't recollect now the exact number of shares.

Cross-examination concluded.

The Witness: I have here a copy of the receipt which Mr. Peters gave as secretary of the Ventura-California Oil Company and which is signed "The Ventura-California Oil Company" by D. L. Peters," and reads as follows: "Los Angeles, California, Oct. 31, 1913. Received from Stephen W. Dorsey, and in behalf of the Ventura California Oil Company, twenty-five thousand dollars (\$25,000), 6%, ten year interim bonds of the Pacific Petroleum Company, and eleven thousand shares (11,000) of the capital stock of said Petroleum Company, as full payment to said company except the cash payment of fifteen thousand dollars (\$15,000) and the payment of an existing trust deed against said Ventura Oil Company's property for twenty-five thousand dollars (\$25,000), both of which are to be paid by the Pacific Petroleum Company, according to the terms of the agreement relating thereto.

(Testimony of S. W. Odell.)

Ventura California Oil Company. By”

Mr. Porter: We have no objection to the introduction of that copy of the receipt in evidence.

The Witness: If you have no objection then we will introduce it.

Mr. Cochran: Well, who signed the receipt?

The Witness: The Ventura-California Oil Company, by D. L. Peters.

The receipt was filed, marked Plaintiff's Exhibit "E."

Mr. Martin: I move that the testimony of this witness be stricken out for the reason that there is absolutely nothing in this testimony that is material; that it is absolutely irrelevant and immaterial and not in any way pertinent to the issues as set forth in the pleadings in this action; and for the further reason that there is no statement made in their second amended bill of complaint showing or alleging or pleading any agreement whatever between this defendant, the Penn Development Company, and the plaintiffs, Ventura-California Oil Company; that statements which he has made as to what Mr. Cochran stated in no way binds the Penn Development Company, as nothing has been produced to show that Mr. Cochran had any authority to make the statements which this witness states he did make, and if he had authority to make those statements or any statements binding the Penn Development Company in the matters testified to they should have been in writing; and particularly with reference to any oral agreement and conversations.

The Court: My understanding concerning the effect of the motion is that it only goes to the manner

(Testimony of S. W. Odell.)

of the production of the evidence. No objection was made to this evidence on the ground that it was oral at the time it was offered.

Mr. Martin: I thought I made an objection, if the court please.

The Court: No objection raising the question of the statute of frauds was made to this evidence that I remember of.

Mr. Martin: Well, the motion is made in time.

Motion overruled. Exception.

Mr. Cochran: If Your Honor will permit me to call your attention to the fact that when this witness started to give statements of oral conversations they were objected to. Now, we were not in position to object to them on the ground that they were within the statute of frauds, because it is quite possible that while the original conversation and statement were oral, we had nothing on which we could found any motion to strike out or make any objection as to its being within the statute, because we did not know but that when this witness was through he would afterwards say it had been reduced to writing. But when the witness has concluded, and we find that this testimony as to these alleged representations and agreements was based upon nothing more than oral statements and alleged oral agreements, no reference being made to any written paper, and no claim for any written paper being made, then for the first time are we in position to move to strike out on the ground that for the first time we know that it is within the statute of frauds, and there-

(Testimony of S. W. Odell.)

fore we make that as an independent motion at this time.

The Court: Well, I do not agree with you. I think you waived the statute of frauds in permitting the witness to testify without making an objection at the time, without either pleading it or making an objection.

Mr. Cochran: As to the pleading, Your Honor, there is nothing in the complaint which would justify the testimony. * * * The original complaint embodied those alleged oral representations. That was demurred to, and the court sustained the demurrer. In this second amended complaint they do not claim any oral representations or agreement as they did in the original complaint. If they had, we would have demurred to it as within the statute of frauds. * * * When this witness completed his testimony we found it was only based upon oral conversation and then for the first time were we in position to make our objection. We were not in position to object until this testimony was completed, or to make such a motion.

The Court: Now, I think that evidence is material for the purpose of showing that the Penn Development Company had knowledge of this claim of these people and that you had knowledge of it. You are one of the defendants here. And it is material and relevant to show that you had knowledge of their claim at the time you bought this property in and that the Penn Development Company took whatever title you had. It makes that entirely relevant even if the statute of frauds did bar it. It is good for the purpose of showing knowledge, if nothing else.

(Testimony of S. W. Odell.)

Mr. Martin: We will save an exception.

Plaintiff offers in evidence a notice of action in this case recorded April 29, 1914, in notices of action, at page 126, records of Ventura county, marked "Plaintiff's Exhibit F."

Mr. Cochran: The Penn Development Company is willing to stipulate that on or about the 8th day of November, 1914, in the Superior Court of the county of Los Angeles, state of California, in an action then pending in said court entitled Pacific Petroleum Company, plaintiff, vs. Penn Development Company, defendant, that court rendered its judgment therein by default in favor of the said Pacific Petroleum Company and against the said Penn Development Company for the sum of \$350,000 or thereabouts, and that a transcript of said judgment was filed on or about December 1, 1914, in the recorder's office of Ventura county. We also stipulate that the complaint in that action involved the contract between the Penn Development Company and the Pacific Petroleum Company of February 17, 1914.

The Court: That is, it was for a breach of that contract this judgment was obtained?

Mr. Odell: Yes.

Mr. Cochran: A suit for damages which is based upon the same facts, and it was taken by default.

(Testimony of C. E. Stoner.)

C. E. Stoner, called on behalf of the plaintiffs, testified as follows:

My name is C. E. Stoner. I was connected with

(Testimony of C. E. Stoner.)

the Ventura-California Oil Company as a director during the years mentioned in this complaint; about the time of the sale of this property under the trust deed, I had knowledge of the fact that there was a sale pending; prior to that time I talked with Mr. Schaad about obtaining a loan to take up that mortgage and I think the matter was talked very fully in the directors' meeting; I did not have any talk with Mr. Cochran, but since the sale of the property I have talked with him about this matter in general several different times; at the time I speak of as to obtaining a loan, I had no promise of a loan but I felt sure I could negotiate it; I had a talk about this property, some time previous to the sale; with a man who bought some stock at my suggestion.

Cross-Examination by Mr. Cochran:

Witness Stoner continued: I had no conversation and did not meet Mr. Cochran until a long time after the sale was made by the trustee.

Q. Now within a period of say three days before this sale, did Peters come to you about raising any money and trying to bid in the property?

A. No, I went to him. I was quite concerned about it, and I said to him, "Now if you are not sure that this is going through and we will be protected, we must raise the money and take care of the mortgage. If that is the end of our interest in that valuable property I would like to know it and protect myself." He said there would be no trouble about it at all, that this is a part of the entire deal, one within the other.

Mr. Cochran: On behalf of the defendant, Penn

(Testimony of C. E. Stoner.)

Development Company, I move for a judgment and decree in favor of that company to the effect that it is the absolute owner in fee simple of the property covered by the complaint in this action and alone is entitled to the possession thereof and all rights therein.

Motion denied. Exception.

Plaintiffs rest.

DEFENDANT'S PROOFS.

(Testimony of William H. Cochran.)

William H. Cochran, called as a witness on behalf of the Penn Development Company, testified as follows:

Mr. Martin: "I think it might be well to have it understood—I think counsel on the other side will agree with me—that the defendant Cochran having filed an answer which is virtually a disclaimer, they do not claim he has any interest in this controversy at all."

Mr. Odell: We do not claim any judgment against him.

Mr. Martin: And you do not recognize that he has any interest in this matter at all, that is, as a defendant?

Mr. Odell: As a defendant, we think he has not.

(Witness testifies): I am an attorney and counsellor in the state of New York and have been such for about 25 years and in this particular matter I am one of the attorneys for the defendant Penn Development Company. I arrived in Los Angeles the very last

(Testimony of William H. Cochran.)

day of February, 1914, and my best recollection is that the following day, Saturday, was March 1, and I know I didn't devote myself to business on that day. The following Monday, which my recollection is was the 3rd of March, I took up this matter, or the general matters out here on behalf of the Penn Development Company, and in doing so went immediately to see Mr. Dorsey, who at that time was president of the Pacific Petroleum Company. I was really very ignorant of the details of the situation out here, having left the East very hurriedly, and learned all I could from memoranda on the way west, but on my arrival here, and on looking up various matters, I found that neither Mr. Dorsey nor anyone in the Pacific Petroleum Company had such papers and documents and records and abstracts of title as I would like to see, and therefore I told them I thought I should be put in touch with somebody who could show me some papers on which I could really act. The Senator then told me that he thought Mr. Odell would be the best man, and as I particularly wanted to see an abstract of title of one particular piece of property—I should think it was the Midway Five,—he took me over to Mr. Odell's office and introduced me, and I said I was very anxious to see what abstract of title he had relative to this property—which, however, was not the Ventura property at all—and he went through his desk and went through some books and abstracts and told me what he had. My recollection is that it did not help me any, what he had, and therefore we let it go. At that time Mr. Odell, I think, referred to the fact that—as I

(Testimony of William H. Cochran.)

supposed—I cannot give his words, and I would not attempt to, and I do not want to be considered as trying to do so, because it is two years or more ago, but I will very frankly state that Mr. Odell stated something to the effect that the Ventura-California Oil Company, of course, had this money which they stood to lose, and they didn't know what they were going to do, or anything else. I am referring to the indebtedness secured by this trust deed that was advertised the sale to take place within a few days subsequent to that conversation. And then I told Mr. Odell generally what our plans were, but in no way—and my memory is positive about it—did I refer to the Ventura-California agreement. Any reference to that was made by himself, and himself alone, and any remarks which I made about the general plans were confined to that and I did not refer to the Ventura-California contract or agreement in any shape, form or manner. I simply referred to the general plans of the Penn Development Company in trying to work out the complicated situation it was in. That any statement I made to Mr. Odell was as to the general plans of the Penn Development Company, which did not include the Ventura-California Oil Company under their agreement with the Pacific Petroleum Company; and I do repeat this, and I repeat it most positively—that I never referred to the Ventura-California Oil Company; that the only reference to it was made by himself when he spoke about this indebtedness, and I made no reference to it whatsoever. Next time I saw him was at the sale. My memory is perfectly clear about it. I want to say

(Testimony of William H. Cochran.)

this, sir,—I can hardly give that conversation so that the court will understand it without relating conversations which occurred with Mr. Peters between the time I met Mr. Odell the first week in March and the sale on the 11th. Mr. Peters was represented to me as being the representative of the Ventura-California Oil Company, and I had learned first, and then directly from himself, not only that he had a copy of this agreement of February 17, 1914,—because I saw it in his possession—but he was very much angered over it and used some pretty stiff language in talking about Dorsey for having signed it on behalf of the Pacific Petroleum Company. Dorsey was trying to quiet him and I kept out of it because I felt that it was none of my concern. If they were fighting amongst themselves, let them go on. But I saw Peters two or three times between the time of my arrival and the sale. Peters had a copy of this agreement in his possession, discussed it, and, as I say, was blaming Dorsey, even telling me that he was going to have the agreement, if possible, set aside, because he thought this option was for too long a period. The best of my recollection is that it was the day before the sale—I think it was about two days before the sale when I saw Peters and Dorsey, and Peters said that—“Well,” he says, “we are not going to have that sale go on.” He says, “I am going around to get Dr. Stoner and some of the others and we are going to raise the money and buy that property in ourselves.” I says, “Well, Peters, I don’t care whether you do or not.” I says, “My instructions are limited to a bid of \$30,000 under our agreement, and if you get anybody

(Testimony of William H. Cochran.)

to bid it in for more than that, you can have it. We will never bid a dollar beyond it." I hears the same story from him, both directly and indirectly, the next day, that he was still trying to raise this money and was going to bid against me at the sale. The day before the sale I was sitting in Senator Dorsey's office in the Hellman Building when Peters came in, and he said, "I have just left Mr. Odell's office. Mr. Odell is very anxious to know whether that agreement of the Penn Development Company of February 17, 1914, is in proper form as to execution, and particularly as to the option. I said, "Peters, here is the agreement, the original;" he then took a look at it and read over the execution and then also read over the option and then went to Senator Dorsey's desk, picked up the telephone, and called Mr. Odell's office.

Q. By the Court: What do you mean by the option?

A. Attached to this agreement of the Penn Development Company there is an option by which the Pacific Development Company, if they want to, within the period of three years, can buy back this property. That is what was referred to in that conversation. There is a formal option attached to this and signed by the Penn Development Company and the Pacific Petroleum Company, giving an exclusive option for three years to buy back. And so Mr. Odell must know about that option. "Well," he says,—and he went to Senator Dorsey's desk, about 5 or 6 feet away, and let the Senator get out of his seat and picket up the telephone and called up Mr. Odell's office. He asked if

(Testimony of William H. Cochran.)

that was Mr. Odell, and—of course I can't say what was said, but he says, "All right." Peters then went on to say, "I have in my hand the original agreement between the Penn and the Pacific, and," he said, "I have looked the execution over, and it is all right, and I have also looked the option over, and that is all right, and we do not need to worry anything about it." Words to that effect. I don't know that he used the exact expression "we don't need to worry." And he hung up. And Mr. Odell says, "That is all right." Now, next morning when the sale came up I was still uncertain, to be frank, whether they were going to bid against us or not. At that time I had no information, and when I went over and saw Peters and Dorsey sitting there—I even mentioned to I think Judge Martin as I went it, "I am afraid they are going to bid against us." And I went over then when they were sitting there, and I said to Peters, "Are you not going to bid?" He says, "No." Then when the trust officer commenced to read the advertisement of the sale, which was maybe 10 or 15 feet away from where these gentlemen were sitting, I went over there and said to Mr. Odell, I says, "Mr. Odell, they are reading this notice." He says, "I have no interest in it," or words to that effect, and passed it over. I don't think Mr. Odell and I passed a single word, unless it was the pleasantries of the day, except when I went over and called his attention to the fact that the trust officer was reading the notice of sale. I had gone to Peters already and asked him if he was going to bid, and I went to Mr. Odell and said, "They are reading the

(Testimony of William H. Cochran.)

notice of sale," and he said, "I have no interest in it," or some such expression. Now, you asked me as to any other conversation about this contract.

Q. I want to finish this in the bank first. When Mr. Odell was on the stand this morning he testified like this: "Either myself or Mr. Peters said to him"—meaning yourself, Mr. Cochran,—"'Now, as I understand it," or "we understand it,"—"you are going to take care of the Ventura-California Oil Company's contract.' And Mr. Cochran said, 'Yes, that is the understanding. We are going to carry that out.' Now, that is as near the words as I can recall it. Right in the building here." I will ask you, did any such conversation take place between you and Mr. Odell at that time, as you recall?

A. I don't understand that Mr. Odell says it did. When he says he thinks it did—whether between Mr. Odell and myself or Mr. Peters and myself—Mr. Odell don't say that he did, and I can positively swear that he never did. Mr. Peters never referred to that contract or agreement, and we had no conversations over there. These gentlemen were all sitting there exchanging pleasantries when I went and asked Peters if he was going to bid, and I went to Mr. Odell and asked him if he was not going to come over and follow up the sale.

Q. Did you at that time in the bank or at any other time say to Mr. Odell or to Mr. Peters that the Penn Development Company would take care of the California-Ventura Company contract?

A. I never said that in the bank or in any other

(Testimony of William H. Cochran.)

place, nor at any other time, nor to any other person, and I had no authority to do so in the slightest particular. My authority was limited to this contract.

Q. Did you come here with power of attorney, or as the attorney in fact of the Penn Development Company?

A. No, sir, I came out here simply as attorney at law to examine different titles and see that this sale was properly conducted, and any other matters that we took over, that the titles were properly searched.

Q. By Mr. Martin: Mr. Cochran, will you kindly explain to the court how it was that the property was deeded and sold to you at the trustee's sale instead of to the Penn Development Company?

A. As I say, I came out here very suddenly, and the Penn Development Company had only just been organized, and when I got out here, and just about the time the sale was going on, I was unable to complete the registration of the Penn Development Company, it being a foreign corporation, in time for the bid, and therefore, seeing that was going to happen, and knowing I didn't have authority, I telegraphed to my clients and told them the situation, and they telegraphed me back specific instructions. "Take title yourself as trustee." So I did bid in that way, took the title in that way, and just as quickly as I could complete the registration I deeded the property over to them, where it has ever since been.

Q. The reason being, as I understand it, that on the 11th day of March, 1914, the day of this sale, the articles of incorporation of the Penn Development

(Testimony of William H. Cochran.)

Company had not been placed on file with the secretary of state of California?

A. No, sir; they were not.

Q. It being, as the pleadings show, a Delawared corporation?

A. That is right, sir. You asked me what interviews I had relative to this agreement. I had, I think, one other that comes to my mind, and that was in the month of April, and it was with D. L. Peters, and I am able to place the date of that because of a letter which I wrote east at the time. The interview took place with Mr. Peters the day after the original complaint was served in this action on the Penn Development Company's designated agent here in California. Peters came into my office—I had an office at that time here—and I was kind of hot over this suit, and expressed my opinion quite vigorously, I guess, and he says, "Now, look here, Colonel, don't you worry about that suit, I am going to tell you the true reason why that suit is brought." He says, "As a matter of fact, it is this—that the Ventura-California Oil Company have a note for about \$30,000 over here at one of the banks on which Mr. Odell, Dr. Stoner,—and I have forgotten whether he mentioned anybody else or not—are endorsers, and the bank knows that the only assets the Ventura-California Oil Company has is this particular piece of property. Now, they are going to jump us, and are jumping every one of us, to make good on that \$30,000 note. But don't worry about it, we have brought this suit simply to show them, or to make a bluff at showing them, that we can do something to

(Testimony of William H. Cochran.)

get that out of the way. That conversation had such an impression on me that I wrote next day to my clients in the East enclosing a copy of the complaint and repeating that conversation verbatim. That is the reason I am able to fix the date so well. That is the only conversation I have ever had about the Ventura contract or about these stocks and bonds, unless possibly in the most general way.

Q. Mr. Martin: That is, at that time?

A. Yes, sir.

Q. I don't think of anything else to ask you, but you are very familiar with all these matters, and perhaps you can think of something, and I am sure the court will permit you to testify.

A. The main point, sir, if I may express it, is this—that my instructions in coming out here were very hurried, and at the same time they were very clear, and the distinction which was in the minds of my clients is the same that appears in this agreement very clearly. In other words, the situation that was presented to the Penn Development Company—or, rather, the people who organized it—was, this particular piece of property, the Ventura-California Oil Company's property, would be lost unless it was bid in on the 11th of March by somebody, because the Pacific Petroleum Company didn't have the money, the Ventura-California Oil Company didn't have the money, and nobody who was interested in either one of those companies could raise the money to protect it against that sale. The Pacific Petroleum Company, as appears in this agreement, independent of the Ventura-California property, had a

(Testimony of William H. Cochran.)

number of so-called leaseholds or interests in property.

Q. You mean in other properties?

A. In other properties, yes, sir; all of which is specified in this agreement.

Q. By the Court: The Pacific Petroleum Company or the Pacific—

A. The Pacific Petroleum Company. That is the other defendant. Then naturally the Penn Development Company didn't want to come out here on a wild goose chase, and they felt if they got one piece of property they would have something to go ahead on, and therefore this agreement was made. But by this agreement the Penn Development Company agreed to purchase it, and then, even, fearing that somebody might quibble and say we were doing something for creditors or somebody else, the distinct provision was put in that the Penn Development Company was to take title to the same in fee simple absolutely without conditions or trust relations of any kind whatsoever except the Penn Development Company shall forthwith enter into an option in the form attached hereto as Exhibit A." In other words, that if they found this property was very valuable they had the privilege of buying it back within three years. The Pacific Petroleum Company can buy it back today, because the three years have not expired. Then as to these other matters, "The Penn Development Company agrees to advance"—certain money. I am reading from the contract. "The Penn Development Company agrees to advance for the purpose of preservation of the assets" —But that is after

(Testimony of William H. Cochran.)

they had agreed to buy the Ventura California property. There was never a suggestion by anybody in the East or in the West that the Penn Development Company was doing other than buying that property absolutely for itself, subject only to the option; and, as I say, Mr. Peters said to me that that is the only thing that disturbed Mr. Odell, and I heard Mr. Peters call Mr. Odell's office and talk to Mr. Odell,—at least he said he did—and Mr. Odell was satisfied with the agreement's execution and the option.

Q. By Mr. Martin: Is it not a fact, Mr. Cochran, that in buying that property at that sale it was bought with the understanding that the title was passing absolutely—or would pass absolutely—to the Penn Development Company and there were no liens against it, there were no arrangements about it, there were no agreements pertaining to it, but that you bought it absolutely and were getting it clear, and there was no understanding that they were to do anything about it, with the plaintiff in this action?

Mr. Odell: We object to that as calling for the conclusions of the witness. Let him state what was said and done.

A. Well, I can state it in this way—that I never had a conversation—

The Court: The objection is sustained, because the question calls for a conclusion of the witness as to what he thought the agreement was. The conversation is the proper evidence.

Mr. Martin: Exception.

Mr. Martin: I think he has stated the conversation,

(Testimony of William H. Cochran.)

and I do not think there is anything more I care to ask.

The Witness: Except I do want to state, in fairness to myself, that I never had a conversation with anybody relative to the Ventura-California agreement. Positively nobody.

Mr. Martin: That is all.

Cross-Examination by Mr. Odell:

(Witness testifies):

I was not nor am I now a stockholder in the Penn Development Company; I was not acquainted with the formation of the Penn Development Company as attorney; about the time the Penn Development Company was formed I had conversations with Mr. Dorsey in the East but I met Senator Dorsey just a very few days before this formation, although he had been out some months; the Penn Development Company was not formed for the sole purpose of acquiring these properties; it was not organized for the purpose of acquiring these and other properties; it had not been formed before Mr. Dorsey saw me; it was formed after he had consulted with my people in the East, and as a matter of fact it was formed about the day before or the very same day that the Penn Development Company agreement was executed; Senator Dorsey was not a stockholder in it and he had no interest in it whatsoever; it was incorporated either February 16th or 17, 1914. Well, I answered your question a moment ago just the way you put it to me, I would rather be a little frank to the court. You asked me if it was not for the purpose of taking over these various properties of the Pacific Petroleum Company and I said no;

(Testimony of William H. Cochran.)

but if you had asked me if it had not been formed with the very idea of being able to acquire the Ventura-California Oil Company property, in case the Penn bid it in, I would say yes; the Penn Development Company was not going to take over all these other properties; a new company had to be formed for that purpose, and if you will read that agreement through you will find that out. I don't remember at the time I came to see you at your office you asked me whether or not our arrangements included the carrying out of the Ventura-California Oil Company contract; in the way I have already testified, the Ventura-California Oil Company was mentioned to me, but Mr. Dorsey did not say in my presence that the contract would be taken care of and fully carried out; if he did say so, I didn't hear him, and I am frank in saying that I am sure he didn't say it, because we were all sitting very close together; I don't think Mr. Dorsey told you any more than what I have said was said at that time, and that was that if the general plan of the Penn Development Company went through and they did subsequently attempt to finance the Pacific Petroleum Company by making these advances, which do not include the Ventura-California Oil Company, then you people would be taken care of properly; every other officer of the Pacific Petroleum Company knew that too.

Redirect Examination by Mr. Martin:

(Witness testifies):

Another corporation was subsequently formed, but it did not take these properties over because they found

(Testimony of William H. Cochran.)

out the properties were so rotten that they did not want them.

The Court: Read that last long answer, Mr. Reporter.

(Answer read, as follows: "I don't think Mr. Dorsey told me any more than what I have said was said at that time, and that was that if the general plan of the Penn Development Company went through and they did subsequently attempt to finance the Pacific Petroleum Company by making these advances, which do not include the Ventura-California Oil Company, then you people would be taken care of properly.)

Mr. Odell: "Would be taken care of." That is the point.

Mr. Martin: Would be taken care of?

A. All creditors. These general plans of which I have spoken were independent of the Ventura as shown in this agreement, that if we could have gotten some general plans through by which these creditors aggregating as represented to us about \$25,000 but which ran to about \$125,000, could all have been gotten together to agree upon some policy and the stock and bondholders could have been gotten together to agree upon some plan, that as a whole proposition, then the advances would be made, but not otherwise; in other words, we could not come out here and deal with one and have the 99 simply hand it to us every minute; the whole 100 would have to come in and they certainly did not nor any of them, so that the general plan was never carried out and it was abandoned as soon as we found that the reports made to us were absolutely

(Testimony of William H. Cochran.)

false. As to the possession of this property at the time this suit was commenced, I would say that about the day after the sale, I caused some men to go right up to the property and we worked on the wells and they remained there until some time in August or September, 1914, after the war broke out, and they were then withdrawn. However, we went in later in the year and did the assessment work for that year, and have had continuous possession ever since, and, as a matter of fact, have men on the property now and have always done the assessment work ever since and nobody has ever attempted to interfere with our possession.

Defendant, Penn Development Company, rests.

(Testimony of Don C. Porter.)

Don C. Porter, called as witness on behalf of the defendant, Pacific Petroleum Company, testifies as follows:

I was one of the attorneys for the Pacific Petroleum Company in the case against the Penn Development Company in the Superior Court of this county in which a judgment for \$350,000.00 was rendered by default. That judgment has not been paid, nor any part of it, and it still remains in full force and effect.

Cross-Examination by Mr. Cochran:

(Witness testifies):

As one of the attorneys in the case I would know if that judgment had been paid.

Mr. Odell reads into the record a copy of the receipt for the interim bonds referred to in his direct examination, as follows:

(Testimony of Don C. Porter.)

“The Pacific Petroleum Company, a corporation organized under the laws of the state of Delaware, hereby acknowledges that it has sold to Stephen W. Dorsey of Los Angeles, Cal., \$25,000 of its first mortgage 6% bonds due August 1, 1923, to be issued under a mortgage made by the Pacific Petroleum Company to the Citizens Trust & Savings Bank of Los Angeles, California, dated July 24, 1913, and agrees to deliver the said bonds as soon as the same shall have been engraved and certified by said trustee, and said Pacific Petroleum Company agrees that upon the surrender of this certificate at the office of the Citizens Trust & Savings Bank of Los Angeles, California, after the engraving of said issues of bonds and delivery, and duly endorsed by said Stephen W. Dorsey, the said Citizens Trust & Savings Bank, as trustee, will deliver to said Stephen W. Dorsey as bearer \$25,000 of said mortgage 5% gold bonds of this company bearing coupons due on February 1, 1914, and all subsequent coupons. This receipt is given under the express provisions and authorization of Article I, Section 1, of said trust deed or mortgage made on July 24, 1913, by said Pacific Petroleum Company to said Citizens Trust & Savings Bank as trustee. Dated August 27th, 1913. Pacific Petroleum Company, by Edwin S. Jackson, president.” “Not over \$25,000” stamped on it. Seal, “Pacific Petroleum Company, 1913, Corporate Seal.” Indorsed, “Stephen W. Dorsey; witness, Albert G. Shaw.” Indorsed, “D. L. Peters; witness, E. B. Rhodes, witnesses.”

Plaintiff rests.

(Testimony of Don C. Porter.)

Mr. Porter: If the court please, I want to offer a little explanation as to our answer. In the second paragraph of our answer we deny positively that the \$15,000 payment had been made to the Ventura-California Oil Company. That answer was verified by Senator Dorsey, who was very positive in his statement to us that it had been paid. But he being dead now, we are not able to prove that allegation. I make that explanation as to why the answer is in there in that shape and there is no evidence offered in support of it.

(Testimony of William H. Cochran.)

William H. Cochran recalled as a witness on behalf of the defendant Penn Development Company by consent testified as follows:

Penn Development Company has not received any money or any income whatsoever from the property described in the complaint since it was purchased at that sale of March 11, 1914; no oil has been produced on that property since the company acquired it for the reason that we were unable to procure any; we had what was represented to be a very capable superintendent and we also had retained Mr. W. W. Orcutt, one of the geologists of the Union Oil Company, and after expending some \$8,000.00, or thereabouts, on the two wells that were on the property, they both advised the absolute abandonment of them as being incapable of producing any oil whatsoever.

Testimony closed.

(Testimony of William H. Cochran.)

The Court: You alleged in the second cause of action the value of the bonds.

Mr. Odell: Yes, sir.

The Court: You alleged the par value of them, but I don't know that you alleged the actual value of them. If you desire to amend the complaint, I will grant you permission to do so in order to have it conform to the testimony,—the testimony here is as to the value of the bonds.

Mr. Odell: Yes, sir, that they were guaranteed to us to be gilt edged and worth par; that was the testimony.

Mr. Cochran: We, of course, object to that and save an exception.

The Court: Very well.

The foregoing constitutes the "Statement of the Evidence" prepared under Equity Rule 75, by the defendant Penn Development Company, on its appeal herein, and submitted to this court for approval.

THEODORE MARTIN,

Solicitor for Defendant Penn Development Company.

Plaintiffs and respondents object to a settlement of a statement of the evidence on appeal on account of delay and lack of jurisdiction now to settle the same. The appeal was taken on the last day of the time in which it could be taken, to-wit, January 31, 1917, and more than eight months had elapsed since that time without a settlement of the statement of the evidence. No notice of any enlargement of time has ever been given to plaintiffs and respondents, and a term of

the Circuit Court of Appeals has been held since the appeal was taken.

The court, on July 24, 1917, made an order as follows:

"In the United States Circuit Court of Appeals for the Ninth Circuit.

PENN DEVELOPMENT COMPANY, a Corporation,

Appellant,

vs.

C. E. STONER, F. E. SCHAAD, D. L. PETERS,
E. B. RHODES and S. W. ODELL, Late Directors and Now Trustees of Ventura-California Oil Company, a Corporation,

Appellees.

Good cause appearing therefor, it is hereby ordered that the time for filing the record and docketing the cause in the United States Circuit Court of Appeals in the above entitled cause be extended to and including the 15 day of October, 1917.

Los Angeles, California, July 24th, 1917.

(Signed) OSCAR A. TRIPPET,
District Judge."

The foregoing statement of the evidence on the appeal of the defendant Penn Development Company in this action is hereby approved under Equity Rule No. 75.

Dated October 9, 1917.

OSCAR A. TRIPPET,
United States District Judge.

[Endorsed]: Original. No. B-7 Eq. Dept.
In the District Court of the United States, Southern District of California, Southern Division. C. E. Stoner, *et al.*, plaintiffs, vs. Pacific Petroleum Company, a corporation, *et al.*, defendants. Statement of the Evidence With Order Approving Same. Filed Oct. 9, 1917. Wm. M. Van Dyke, clerk; by R. S. Zimmerman, deputy clerk. Theodore Martin, suite 918 Security Building, Home phone F5834, Sunset Main 488, Los Angeles, Cal., solicitor for deft. Penn Development Company.

EXHIBIT "A."

(Printed at pages 11 to 15.)

EXHIBIT "B."

(Printed at pages 15 to 17.)

PLAINTIFF'S EXHIBIT "C."

DEED OF TRUSTEE.

This indenture, made this 11th day of March, A. D. 1914, by and between the Citizens Trust and Savings Bank, a corporation, organized and existing under the laws of the state of California, and having its principal office in the city of Los Angeles, in the county of Los Angeles, in the state of California, the party of the first part, and William H. Cochran, of the city of Philadelphia, in the state of Pennsylvania, trustee for the Penn Development Company, a corporation created and existing under the laws of the state of Delaware, the party of the second part,

Witnesseth: That whereas, on the 19th day of

February, A. D. 1913, The Ventura-California Oil Company, a corporation created, organized and existing under and by virtue of the laws of the state of California, and having its principal office in the said city of Los Angeles, did make and execute fifty promissory notes, each for the sum of one thousand (\$1,000.00) dollars, and numbered from one to fifty, both inclusive, aggregating the sum of fifty thousand (\$50,000.00) dollars, with interest thereon at the rate of seven per cent. per annum, payable semi-annually, on the 10th days of August and February in each year; all of said notes being made payable to "The Benson Investment Company, a corporation, or bearer;"

And whereas, on the said 19th day of February, 1913, the said The Ventura-California Oil Company, for the purpose of securing the payment of said notes in accordance with the terms thereof, made, executed, acknowledged and delivered a certain deed of trust, as party of the first part, to the said Citizens Trust and Savings Bank, as party of the second part, and the said The Benson Investment Company, as party of the third part, wherein and whereby the said The Ventura-California Oil Company granted, bargained, sold, conveyed, and confirmed unto the said Citizens Trust and Savings Bank, its successors or assigns, all that certain real and personal property situate in the Little Sespe Petroleum Mining District, in the county of Ventura, in the state of California, described as follows, to-wit:

Agasthenes Oil Placer Mining Claim, embracing lots four (4), five (5), ten (10) and eleven (11), in section five (5), township four (4) north, range nineteen (19) west, S. B. M., containing one hundred twenty

and 69/100 (120.69) acres; United States patent therefor is recorded in book 4 of patents, at page 257 et seq., in the office of the county recorder of Ventura county, California;

Agapetus Oil Placer Mining Claim, embracing lot nine (9) and the north one-half (N. $\frac{1}{2}$) of the southeast quarter (S. E. $\frac{1}{4}$) and the northeast quarter (N. E. $\frac{1}{4}$) of the southwest quarter (S. W. $\frac{1}{4}$), containing one hundred sixty (160) acres;

Agapenor Oil Placer Mining Claim, embracing lots six (6) and eight (8), and the west half (W. $\frac{1}{2}$) of lot seven (7), containing one hundred sixty (160) acres;

Agareni Oil Placer Mining Claim, embracing lots one (1), two (2) and three (3), and the east half (E. $\frac{1}{2}$) of lot seven (7), containing one hundred twenty-eight and 85/100 (128.85) acres;

All the above claims being in section five (5), township four (4) north, range nineteen (19) west, S. B. M.

Also the following personal property situate thereon:

Two 30 H. P. boilers, one 45 H. P. boiler, two 23 H. P. engines, two derricks complete, two sets rig irons, two sets rig timbers complete, casing, pipe line, one 50 barrel tank, one 1500 barrel tank, three 100 barrel tanks, one gasoline engine, together with an assortment of well drilling machinery and tools.

Said deed of trust is recorded in book 137 of deeds, at page 24 et seq., in the records in the office of the county recorder of said Ventura county;

And whereas, each and all of said notes and said deed of trust contain provisions and stipulations that should there be a default made in the payment of any installment of interest when due, then the whole sum

of principal and interest shall become immediately due and payable, at the option of the holder of said notes, or the holder of any of said notes;

And whereas, twenty-five of said notes, to-wit: Notes numbered one to twenty-five, both inclusive, were, on the date of their execution, delivered to the present holders thereof, and the said holders thereof having advanced the sum of twenty-five thousand (\$25,000.00) dollars as a consideration for said last mentioned notes;

And whereas, the first installment of interest on the said notes became due and payable on the 10th day of August, A. D. 1913, and default was, and has been, made in the payment of said interest, and every part thereof, no interest whatsoever having been paid on said last mentioned date, nor at any time since said last mentioned date, nor at all, on any of said notes; and the holders of said last mentioned notes, so numbered from one to twenty-five, both inclusive, having exercised their option and having declared that default has been made, as aforesaid, in the payment of interest, and having declared the whole of said sum of principal and interest on the said last mentioned twenty-five notes, due and immediately payable, and having demanded in writing that said trustee shall sell the said premises, so granted by said deed of trust, as herein set forth, and as more particularly set forth in the hereinabove mentioned deed of trust, to accomplish the objects of the trust herein expressed:

And whereas, the notes above mentioned, numbered from twenty-six to fifty, both inclusive, none of which has been issued or delivered, for the reason that the

said The Ventura-California Oil Company entered into an agreement with the said The Benson Investment Company, and by said agreement the said The Benson Investment Company was not required to loan to the said The Ventura-California Oil Company the sum of twenty-five thousand (\$25,000.00) dollars, or any part thereof, so to be represented by the said notes, numbered from twenty-six to fifty, both inclusive; and pursuant to said understanding and agreement the said The Benson Investment Company has not loaned to the said The Ventura-California Oil Company the said sum of twenty-five thousand (\$25,000.00) dollars, or any part thereof, or any sum whatsoever;

Whereas, in accordance with the request of the said holders of the said notes, so numbered from one to twenty-five, both inclusive, for the sale of said premises, the said Citizens Trust and Savings Bank fixed Tuesday, the 13th day of January, A. D. 1914, at the hour of 11 o'clock in the forenoon of said day, at the main entrance of the said Citizens Trust and Savings Bank, No. 308-310 South Broadway, in the said city of Los Angeles, in the county of Los Angeles, in the state of California, as the time and place for making said sale; and, in pursuance of the provisions of said deed of trust, notice of said sale was published in the Los Angeles Daily Journal, a newspaper printed and published daily (Sundays excepted) in the said city of Los Angeles, and also published notice of said sale in the Ventura Democrat, a newspaper printed and published daily in the city of Ventura, twice a week for six successive weeks next prior to said date so fixed for said sale, said notice containing, among other things,

the said time and place of sale, with a description of the herein described property; and, at the request of the said The Ventura-California Oil Company and the said The Benson Investment Company, the said Citizens Trust and Savings Bank did postpone the date of said sale to the 13th day of February, A. D. 1914, at the same hour and place mentioned, and again, at the request of the said The Ventura-California Oil Company and the said The Benson Investment Company, did again postpone the date of said sale to the 11th day of March, A. D. 1914, at the same hour and place, so mentioned in said notice, and said notice having been published successively twice a week in each of said papers every week from said 13th day of January, 1914, to the said 13th day of February, 1914, with the said notice of postponement made a part thereof; and said notice also having been published in both of said newspapers twice a week successively for each and every week between said 13th day of February, 1914, up to and including the said 11th day of March, 1914, with both of said notices of such postponement of said sale made a part thereof;

Whereas, under and by virtue of said deed of trust, and pursuant to said notice of sale, the said party of the first part herein, said Citizens Trust and Savings Bank, at the time and place fixed by said notice, and on the date mentioned in the last postponement thereof, to-wit: The said 11th day of March, A. D. 1914, for the payment of the principal and interest due on said notes, so mentioned, from one to twenty-five, both inclusive, aggregating twenty-six thousand, nine hundred forty-six and 61/100 (\$26,946.61) dollars, and the ex-

penses and expenditures incurred in carrying out the provisions and conditions of said trust, in the sum of two thousand, three hundred ninety-nine and $21/100$ (\$2,399.21) dollars, aggregating a total sum of twenty-nine thousand, three hundred forty-five and $82/100$ (\$29,345.82) dollars, offered for sale, at public auction, the premises and property herein described and, at such sale, the said William H. Cochran, trustee as herein mentioned, was the successful bidder therefor, bidding therefor the sum of twenty-nine thousand, three hundred forty-five and $82/100$ (\$29,345.82) dollars; the subscriber, said Citizens Trust and Savings Bank, sold said herein described premises and property to the said William H. Cochran, trustee for the said Penn Development Company, for the price last above mentioned;

Now, therefore, the said Citizens Trust and Savings Bank, trustee under the said deed of trust, the said party of the first part herein, for and in consideration of the said sum of twenty-nine thousand, three hundred forty-five and $82/100$ (\$29,345.82) dollars, receipt whereof is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell and convey, without warranty, unto the said William H. Cochran, trustee for said Penn Development Company, the party of the second part hereinabove mentioned, his heirs, administrators, executors and assigns forever, all of the herein described property and all of the right, title, estate and interest of the said The Ventura-California Oil Company, in and to the premises and property herein described, and also all the right, title, estate and interest

in and to said property of the said party of the first part herein, the said Citizens Trust and Savings Bank, being that certain real and personal property so situated in the Little Sespe Petroleum Mining District, in said county of Ventura, in the state of California, as follows, to-wit:

Agasthenes Oil Placer Mining Claim, embracing lots four (4), five (5), ten (10) and eleven (11), in section five (5), township four (4) north, range nineteen (19) west, S. B. M., containing one hundred twenty and 69/100 (120.69) acres; United States patent therefor is recorded in book 4, of patents, at page 257, *et seq.*, in the office of the county recorder of Ventura county, California.

Agapetus Oil Placer Mining Claim, embracing lot nine (9), and the north one-half ($N.\frac{1}{2}$) of the southeast quarter ($S.E.\frac{1}{4}$) and the northeast quarter ($N.E.\frac{1}{4}$) of the southwest quarter ($S.W.\frac{1}{4}$), containing one hundred sixty (160) acres.

Agapenor Oil Placer Mining Claim, embracing lots six (6) and eight (8), and the west-half ($W.\frac{1}{2}$) of lot seven (7), containing one hundred sixty (160) acres.

Agareni Oil Placer Mining Claim, embracing lots one (1), two (2), and three (3), and the east-half ($E.\frac{1}{2}$) of lot seven (7), containing one hundred twenty-eight and 85/100 (\$128/85) acres.

All of the above claims being in section five (5), township four (4) north, range nineteen (19) west, S. B. M.

Also the following property situate thereon:

Two 30 H. P. boilers, one 45 H. P. boiler, two 23

H. P. engines, two derricks complete, two sets rig irons, two sets rig timbers complete, casing, pipe line, one 50 barrel tank, one 1500 barrel tank, three 100 barrel tanks, one gasoline engine, together with an assortment of well drilling machinery and tools.

Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging, or in anywise appertaining; it being the intention of the grantor herein to convey hereby without warranty, however, all the estate, right, title and interest vested in said grantor herein by virtue of the said deed of trust of the said The Ventura-California Oil Company to said grantor, dated the 19th day of February, 1913.

To have and to hold, all and singular the above mentioned described premises and property, together with the hereditaments and appurtenances unto the said party of the second part, the said William H. Cochran, trustee for said Penn Development Company, his heirs, administrators, executors and assigns forever.

In witness whereof, the said party of the first part, the said Citizens Trust and Savings Bank, has caused these presents to be executed in its corporate name, and its corporate seal hereto attached, by its vice-president and secretary, the day and year in this instrument hereinabove written.

CITIZENS TRUST AND SAVINGS BANK,
(Corporate Seal)

By Leo S. Chandler, President.

By....., Secretary.

Notarial certificate attached.

Recorded March 31, 1914, in book 142 of deeds, page 234, records of Ventura Co., Calif.

[Endorsed]: Ventura-Cal. O. Co. vs. Pac. Pet. Co. et al. No. B 7 Eq. Compl's. Exhibit No. C. Filed June 9, 1916. Wm. M. Van Dyke, clerk; by Leslie S. Colyer, deputy clerk.

PLAINTIFF'S EXHIBIT "D."

This agreement, made this seventeenth day of February, A. D. 1914, by and between the Pacific Petroleum Company, a corporation organized and existing under and by virtue of the laws of the state of Delaware, party of the first part, and the Penn Development Company, a corporation organized and existing under and by virtue of the laws of the state of Delaware, party of the second part;

Witnesseth:

Whereas, Stephen W. Dorsey is the owner of a majority of the capital stock of the Pacific Petroleum Company, and

Whereas, the said Pacific Petroleum Company is under contract to purchase, in fee simple, certain oil properties in the state of California, and is the holder of certain leasehold interests in other oil properties in California; and

Whereas, the Pacific Petroleum Company has heretofore, under date of July 24th, 1913, executed its mortgage or deed of trust to secure certain bonds upon the said property when acquired; and

Whereas, none of said bonds have been so issued; and

Whereas, certain certificates have been issued by the

Pacific Petroleum Company, agreeing to deliver bonds if and when issued;

Whereas, certain of the agreed purchase price has not been paid on certain of the properties under contract of purchase as aforesaid; and

Whereas, certain underlying mortgages assumed by the Pacific Petroleum Company have not been paid; and

Whereas, the Pacific Petroleum Company is indebted to various parties, and is without means to pay said indebtedness; and

Whereas, the Pacific Petroleum Company is desirous of entering into an agreement under which its property may be, to such extent as may be found possible, preserved, upon the terms and conditions set forth in this agreement; and

Whereas, the property known as the Ventura-California property is about to be sold in proceedings under a trust deed.

Now, therefore, this agreement witnesseth, that in consideration of the premises, and of the mutual covenants herein contained, it is hereby agreed between the parties hereto, as follows, to-wit:

First: The Penn Development Company agrees to purchase at a sum not exceeding thirty thousand dollars (\$30,000) at the forthcoming trustee's sale, the title in fee simple of the Ventura-California property, described as follows:

"The Agasthenes Oil Placer Mining Claim, embracing lots four (4), five (5), ten and eleven, containing one hundred and twenty and 69/100 (120.69) acres.

The Agapetus Oil Placer Mining Claim, embracing

lot nine (9) and the north one-half ($\frac{1}{2}$) of the south-east quarter and the northeast quarter of the south-west quarter, containing one hundred and sixty (160) acres.

The Agapenor Oil Placer Mining Claim, embracing lots 6 and 8 and the west half of lot 7, containing 160 acres.

The Agareni Oil Placer Mining Claim, embracing lots 1, 2 and 3, and the east one-half of lot 7, containing 128.85 acres.

All in section 5, in the township 4 north, range 19 west, San Bernardino base and meridian, according to the surveys made by the United States Government and all situate in the Little Sespe Petroleum Mining District, in the county of Ventura, state of California, United States of America, and containing a total of 569.54 acres.

Together with the oil wells situate thereon, and the personal property thereon, used in connection therewith, including pumps, tanks, derricks, pipe lines, casing, drilling rigs, boilers and other tools and appliances."

The Penn Development Company is to take title to the same in fee simple absolutely without conditions or trust relations of any kind whatsoever, except the Penn Development Company shall forthwith enter into an option in the form attached hereto as Exhibit "A."

Second: The Penn Development Company agrees to advance for the purpose of the preservation of the assets of the Pacific Petroleum Company, the additional sum of thirty thousand dollars (\$30,000) over and

above the sum paid for acquiring the aforesaid Ventura-California property, which said sum shall be used and applied for the following purposes, to-wit:

\$6,500 simultaneously with the execution of this agreement, for the payment of labor and other claims against the Pacific Petroleum Company;

\$7,500 for the purchase or release, as the Pacific Petroleum Company may be advised by counsel, of a certain claim of \$7,500 secured upon the lease upon the Midway Five property, described as follows:

"The most westerly $\frac{3}{4}$ of the northeast $\frac{1}{4}$ of the southwest $\frac{1}{4}$ thirty acres, section 5-32-So. 23, east, M. D. B. M., known as the Midway Five Oil Company property.

Being a part of the premises described in the contract, dated April twenty-sixth, 1913, by and between D. L. Peters of Los Angeles, California, and Stephen W. Dorsey of the same place."

\$4,000 to be expended upon the cementing, redrilling and bringing into operation of the two existing wells on the Ventura California property;

The balance of the said \$30,000 to be expended upon such of the following items as shall be agreed upon by and between the said Dorsey and counsel for the Penn Development Company:

Maricopa-Union,	\$35,000.
Big Sespe,	\$17,000.
March Oil Company,	\$ 5,000.
Claim of the Oil Well Supply Company,	\$10,000
Claim of the Tay Pike Co.	\$ 4,000.
Leasehold Rentals,	\$6,500.

Labor and other charges for the completion or operation of existing wells.

Third: The Penn Development Company agrees to keep in its treasury an amount of preferred stock sufficient to raise the sum of forty thousand dollars, and further agrees that when and if said amount shall be so raised, such additional sum shall be expended on this joint agreement of the said Dorsey and counsel for the Penn Development Company upon the items set forth in paragraph "Two" hereof.

Fourth: The Pacific Petroleum Company hereby transfers, sets over and assigns to the Penn Development Company, all its right, title and interest of every kind and description in and to all the oil to be derived from the operation of all the properties owned or leased by it, or held by it under contract, to be held by the Penn Development Company, in trust:

A. To pay the expenses of operation in the production of the said oil, not including office expenses, or salaries of officers of the corporation;

B. To retain the monthly sum of two thousand five hundred dollars (\$2,500) for the period of four (4) months from the date hereof, and thereafter to retain the monthly sum of five thousand dollars (\$5,000) until all the money advanced for the benefit of the Pacific Petroleum Company shall have been paid to the Penn Development Company, or until such further period as shall be sufficient to pay to the Penn Development Company the amount to be paid under the option hereto attached as Exhibit "A" for the Ventura California property:

C. The balance to be used for the purposes of the

Pacific Petroleum Company for the liquidation of the items named in paragraph "Two" hereof, as the said Dorsey from time to time shall determine, and upon the property of the Pacific Petroleum Company as the said Dorsey and counsel for the Penn Development Company shall determine.

Fifth: The amount to be retained by the Penn Development Company under subdivision "B" of paragraph "Four" hereof, shall be pro rata increased to the extent that the portion of the forty thousand dollars (\$40,000) mentioned in paragraph "Third" hereof shall bear to the sum of sixty thousand dollars (\$60,000).

Sixth: In the event of the failure of the Penn Development Company becoming the purchaser at the sale of the Ventura California property after a bid of not exceeding thirty thousand dollars (\$30,000), no obligation shall exist upon the Penn Development Company to carry out any part of this agreement, but this agreement shall remain in full force and effect for the benefit of the Penn Development Company until the return to it of all sums theretofore advanced, together with all expenses incurred, and a counsel fee to counsel for the Penn Development Company.

Seventh: The Pacific Petroleum Company covenants and agrees that each and every of the aforementioned recitals are true as a matter of fact, and are part of the essence and consideration of this agreement, and do also covenant and agree as follows, to-wit:

A. That upon the payment of not exceeding \$30,000, a title in fee simple may and shall be pur-

chased by the Penn Development Company of the Ventura California property on March 11th, 1914, or on any adjournment thereof;

B. That such title as the Pacific Petroleum Company is entitled to receive from the owners of the Big Sespe property upon the payment of seventeen thousand dollars (\$17,000) in cash, shall be delivered to the Penn Development Company, to be held in trust for the performance of the terms and conditions of this agreement upon the payment by the Penn Development Company of the said sum of seventeen thousand dollars (\$17,000);

C. That the company owns the following leaseholds, subject only to the following liens, and upon the payment of the said liens, it has a full and complete title to the said leases:

Maricopa-Union,	\$35,000.
Midway Five,	\$ 7,500.
March Oil,	\$ 5,000.

D. That the company owns the following lease, subject only to the payment of rental thereon:

Pirie,	1,196 acres,
Piru,	4,700 acres,
Sturges,	2,200 acres,
Sexton,	1,700 acres,

E. That there are two wells on the Ventura California property; that the same were oil producing wells until September, 1913, and that the same can be and will be brought into operation by the expenditure estimated not to exceed four thousand dollars (\$4,000);

F. That there are in operation upon the Midway

Five property four wells producing not less than sixteen thousand barrels per month at the date of the last report, and that there is a further well redrilled and about to come into operation and a new well about to come into operation;

G. That there are four wells upon the Big Sespe property, having a production under normal conditions of eighty-two barrels per day;

H. That there are eight wells on the March oil property, now producing five thousand barrels per month;

I. That there is one well on the Maricopa-Union property, now producing four thousand eight hundred barrels per month, and one new well being drilled, now about 1860 feet depth, and the oil sand about 2,240 feet;

In witness whereof, the parties hereto have caused these presents to be signed by their respective presidents, and their respective corporate seals to be hereunto affixed, duly attested by their respective secretaries, the day and year aforesaid.

PACIFIC PETROLEUM COMPANY,

(Seal) By Stephen W. Dorsey, President.

Attest:

By Lawrence B. Fuller, Secretary.

PENN DEVELOPMENT COMPANY,

(Seal) By Charles H. Burr, President.

Attest:

By Joseph F. Cotter, Secretary.

State of Pennsylvania, County of Philadelphia—ss.

Be it remembered, that on this seventeenth day of

February, A. D. 1914, before me, the subscriber, a notary public in and for the state of Pennsylvania, residing in the city and county of Philadelphia, personally appeared Lawrence B. Fuller, who, being duly sworn according to law, doth depose and say that he was personally present and did see the common or corporate seal of the above named Pacific Petroleum Company affixed to the foregoing instrument. That the seal affixed is the common or corporate seal of the said Pacific Petroleum Company, and was so affixed by the authority of the said corporation as the act and deed thereof. That the above named Stephen W. Dorsey is the president of the said corporation and did sign the said instrument as such in the presence of this deponent. That this deponent is the secretary of the said corporation and that the name of this deponent above signed in attestation of the due execution of the said instrument is of this deponent's own proper handwriting. And that the execution and delivery of said instrument was duly authorized by the board of directors of said corporation.

LAWRENCE B. FULLER.

Sworn to and subscribed before me this day and year aforesaid.

(Seal) GEORGE KOPPENHOEFER, JR.,
Notary Public.

Notary Public, 328 Chestnut St., Phila., Pa. My commission expires March 10, 1917.

State of Pennsylvania, County of Philadelphia—ss.

Be it remembered, that on this seventeenth day of February, A. D. 1914, before me, the subscriber, a notary public in and for the state of Pennsylvania,

residing in the city and county of Philadelphia, personally appeared Joseph F. Cotter, who, being duly sworn according to law, doth depose and say that he was personally present and did see the common or corporate seal of the above named Penn Development Company affixed to the foregoing instrument. That the seal affixed is the common or corporate seal of the said Penn Development Company, and was so affixed by the authority of the said corporation as the act and deed thereof. That the above named Charles H. Burr is the president of the said corporation and did sign the said instrument as such in the presence of this deponent. That this deponent is the secretary of the said corporation and that the name of this deponent above signed in attestation of the due execution of the said instrument is of this deponent's own proper handwriting. And that the execution and delivery of said instrument was duly authorized by the board of directors of said corporation.

JOSEPH F. COTTER.

Sworn to and subscribed before me the day and year aforesaid.

(Seal) GEORGE KOPPENHOEFER, JR.,

Notary Public.

Notary Public, 328 Chestnut St., Phila., Pa. My commission expires March 10, 1917.

We, the undersigned, do hereby, as stockholders of the Pacific Petroleum Company, to the extent of our individual holdings, which holdings amount to more than a majority of the said stock, ratify and approve the execution of the foregoing agreement, and do further agree that at any and all times to take such further

steps, and to procure the taking of such further steps by the Pacific Petroleum Company as shall effectuate the obligations of this agreement if the same may be found necessary and requisite.

STEPHEN W. DORSEY.

.....

EXHIBIT "A."

Know all men by these presents, that we, the Penn Development Company, a corporation organized and existing under and by virtue of the laws of the state of Delaware, in consideration of the sum of one dollar (\$1.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, do by these presents grant unto the Pacific Petroleum Company, a corporation organized and existing under and by virtue of the laws of the state of Delaware, an exclusive option to purchase the following described property, known as the Ventura California Property, at any time within three years for the sum of two hundred thousand (\$200,000) in cash, and upon the further delivery to the Penn Development Company of twenty-five per cent of all the capital stock issued and outstanding issued by the Pacific Petroleum Company, or by its successor, less only as follows:

A. Such stock as may be retained in the treasury or issued pending the exercise of this option with the approval of counsel for the Penn Development Company for development or financing purposes;

B. Such stock as may be issued and delivered for the funding of indebtedness of the corporation;

C. Such stock as may be issued and delivered for

the payment in part purchase to other than the said Stephen W. Dorsey, for the part payment of the properties acquired by the Pacific Petroleum Company;

The following are conditions precedent to the exercise of the aforesaid option:

1st. All outstanding bonds or agreements to receive bonds shall be cancelled by the Pacific Petroleum Company and preferred stock issued therefor to an amount not to exceed \$600,000.00.

2nd. Such amount of the preferred stock as shall be agreed upon by Dorsey and the counsel for the Penn Development Company shall be left in the treasury of the company for sale for development purposes, and not less than one-third of the capital stock shall be left in the treasury for development purposes.

3rd. There shall be subtracted from the purchase price under this option:

(a) Twice such sum as shall comprise the difference between the amount advanced by the Penn Development Company and one hundred thousand dollars (\$100,000);

(b) Such sums as shall have been received by the Penn Development Company under the operation of subdivision "B" of paragraph "Four" of a certain agreement made and entered into between the Pacific Petroleum Company and the Penn Development Company, and dated the 17th day of February, 1914.

4th. The Pacific Petroleum Company shall at the option of the said Stephen W. Dorsey have the right to sell all of its assets for cash or other securities for such sum or sums as shall in the opinion of the said Stephen W. Dorsey and counsel for the Penn Develop-

ment Company not be equivalent to less than the total sum of two million dollars (\$2,000,000). Should such sale be made, one-half of the sum to be paid to the Penn Development Company under the terms of this option shall be subtracted from the twenty-five per cent to be received under the terms of this option by the Penn Development Company out of the proceeds of such sale.

5th. Should the Pacific Petroleum Company in its discretion after the repayment of the amount due to the Penn Development Company for advances cease the payment to the Penn Development Company is authorized to retain under subdivision "B" of paragraph "Four" of a certain agreement made and entered into between the Pacific Petroleum Company and the Penn Development Company, and dated the 17th day of February, 1914, this option shall forthwith terminate and expire.

In witness whereof, the Penn Development Company has caused these presents to be signed by its president, and its corporate seal to be hereunto affixed, duly attested by its secretary, this day of, A. D. 191. .

PENN DEVELOPMENT COMPANY.

By

President.

Attest

By

Secretary.

[Endorsed]: Ventura-Cal. O. Co. vs. Pac. Pet. Co. et al. No. B 7 Eq. Compl's. Exhibit No. D. Filed June 9, 1916. Wm. M. Van Dyke, clerk; by Leslie S. Colyer, deputy clerk.

PLAINTIFF'S EXHIBIT "E."

Copy.

Los Angeles, Calif., Oct. 31, 1913.

Received from Stephen W. Dorsey, and in behalf of the Ventura California Oil Company, twenty-five thousand dollars (\$25,000.), 6%, ten year interim bonds of the Pacific Petroleum Company, and eleven thousand shares (11,000) of the capital stock of said Petroleum Company, as full payment to said company except the cash payment of fifteen thousand dollars (\$15,000.) and the payment of an existing trust deed against said Ventura Oil Company's property for twenty-five thousand dollars (\$25,000.), both of which are to be paid by the Pacific Petroleum Company, according to the terms of the agreement relating thereto.

VENTURA CALIFORNIA OIL COMPANY.

By

[Endorsed]: Ventura-Cal. O. Co. vs. Pac. Pet. Co. et al. No. B 7 Eq. Compl's Exhibit No. E. Filed June 9, 1916. Wm. M. Van Dyke, clerk; by Leslie S. Colyer, deputy clerk.

PLAINTIFF'S EXHIBIT "F."

*In the Superior Court of the State of California, in and
for the County of Ventura.*

VENTURA CALIFORNIA OIL COMPANY, a
Corporation,

Plaintiff,

vs.

PACIFIC PETROLEUM COMPANY, a Corporation,
STEPHEN W. DORSEY, PENN DEVELOP-
MENT COMPANY, W. H. COCHRAN, JOHN
DOE, RICHARD ROE, JANE DOE and MARY
ROE,

Defendants.

NOTICE OF ACTION.

Notice is hereby given that an action has been commenced in the above named court by the above named plaintiff against the above named defendants, which action is now pending; that the purpose of said action is for a judgment of this court requiring the defendants to pay to the plaintiff the sum of fifteen thousand dollars (\$15,000) with interest thereon from the first day of November, 1913, at the rate of seven per cent per annum, and the further sum of twenty-five thousand dollars (\$25,000) with interest thereon at the rate of seven per cent per annum from November 1, 1913, and the further sum of one hundred and ten thousand dollars (\$110,000) with interest thereon at the rate of seven per cent per annum from November 1, 1913, and that unless said payment be made within ten days from the final judgment in this action the defendants and all of them be forever foreclosed to any

right, title and interest to the premises or any part thereof, and the personal property described therein, and be adjudged to deliver up possession of all the property described therein, and be adjudged to deliver up possession of all the property to the plaintiff, and for other relief.

That the real property described in the complaint and affected by said action is located, situated and being in the Little Sespe petroleum district, in the county of Ventura, state of California, and is particularly described as follows:

The Agastheres Oil Placer Mining Claim, embracing lots four (4), five (5), ten (10) and eleven (11), containing one hundred and twenty and 69/100 (120.69) acres.

The Agapetus Oil Placer Mining Claim, embracing lot nine (9) and the north one-half ($\frac{1}{2}$) of the southeast quarter and the northeast quarter of the southwest quarter, containing one hundred and sixty (160) acres.

The Agapenor Oil Placer Mining Claim, embracing lots six (6) and eight (8) and the west half of lot seven (7), containing one hundred sixty (160) acre.

The Agareni Oil Placer Mining Claim, embracing lots one (1), two (2) and three (3) and the east one-half of lot seven (7), containing one hundred twenty-eight and 85/100 (128.85) acres.

All in section 5, in the township 4 north, range 19 west, San Bernardino base and meridian, according to the surveys made by the United States Government and all situate in the Little Sespe petroleum mining district, in the county of Ventura, state of California,

United States of America, and containing a total of 569.54 acres.

Together with the oil wells situate thereon, and the personal property thereon, used in connection therewith, including pumps, tanks, derricks, pipe lines, casing, drilling rigs, boilers, and other tools and appliances.

Very respectfully,

TANNER, ODELL, ODELL & TAFT.

By S. W. Odell,

M. K. Young,

Attorneys for Plaintiff.

[Endorsed]: Indexed, compared.

Recorded at the request of Tanner, Taft & Odell Apr. 29, 1914, at 15 min. past 8 o'clock a. m., in book 4 of notices of Act, page 126, records of Ventura Co., Cal. J. L. Argabrite, county recorder; by, deputy recorder. \$1.40. No. B. Dept. In the Superior Court, county of Ventura, state of California. Ventura California Oil Company, a corporation, plaintiff, vs. Pacific Petroleum Company, a corporation, *et al.*, defendant. Notice of action. Tanner, Taft & Odell, 910-12 California Building. Main 1922; Home F 1922, Los Angeles. 202-4 Dudley Block; Main 31; Home 1132, Santa Monica. Boston Block, Main 1196; Home 1057, Pasadena, attorneys for plff.

Ventura Cal. O. Co. vs. Pac. Pet. Co., *et al.* No. B 7 Eq. Campl's. Exhibit No. F. Filed June 9, 1916. Wm. M. Van Dyke, clerk; by Leslie S. Colyer, deputy clerk.

DEFENDANT'S EXHIBIT "I."

This deed of trust, made this 19th day of February, A. D. 1913, between the Ventura-California Oil Company, a corporation organized and existing under the laws of the state of California, party of the first part, and Citizens Trust and Savings Bank, a corporation created and existing under the laws of said state, having its principal office and place of business in the city of Los Angeles, in the county of Los Angeles, in the state of California, party of the second part (and hereinafter sometimes called the trustee), and the Benson Investment Company, a corporation created, organized and existing under and by virtue of the laws of the state of Colorado, and having an office in the said city of Los Angeles, party of the third part.

Witnesseth: That whereas, the party of the first part has borrowed and received from Gilbert Samuel & Company, solicitors, of London, England, the sum of twenty-five thousand (\$25,000.00) dollars, in gold coin of the United States of America, and has also borrowed and received from the party of the third part the sum of twenty-five thousand (\$25,000.00) dollars, in like gold coin; said twenty-five thousand (\$25,000.00) dollars having been so loaned to the said first party by the said Gilbert Samuel & Company with the understanding that the first party would make, execute, and deliver twenty-five (25) promissory notes of one thousand (\$1,000.00) dollars each, running in favor of the said party of the third part to be endorsed by the party of the third part, with the further understanding that

the said third party would loan to the first party the sum of twenty-five thousand (\$25,000.00) dollars, and have executed and delivered to it, by the first party, a like number of notes for a like sum mentioned in each of said notes;

Wherefore, in consideration of the said loan aggregating the sum of fifty thousand (\$50,000.00) dollars, which the said party of the second part has agreed to pay in gold coin of the United States of America, of the present standard of fineness, with interest thereon at the rate of seven (7%) per cent per annum, payable semi-annually, and due on or before the 10th day of February, 1915, according to the terms of the fifty promissory notes, each and all of said notes are of even date herewith and are numbered consecutively from one to fifty inclusive, and payable to the said party of the third part or to bearer, and are in the following form, the only difference in one note from the other being the different number of the series, as follows:

"No. 1.

\$1,000.00

Los Angeles, California, February 19, A. D. 1913.

On or before February 10, 1915, for value received, The Ventura-California Oil Company, a corporation, promises to pay to The Benson Investment Company, a corporation, or bearer, at the Citizens Trust and Savings Bank, a corporation, in the city of Los Angeles, in the state of California, in the United States of America, the sum of one thousand (\$1,000.00) dollars, with interest thereon from February 10, 1913, until paid at the rate of seven (7%) per cent per annum,

payable on the 10th days of February and August in each year. Should the interest not be so paid, it shall become a part of the principal and thereafter bear like rate as the principal. Should default be made in the payment of any installment of interest when due, then the whole sum of principal and interest shall become immediately due and payable at the option of the holder of this note, principal and interest payable in gold coin of the United States of America of the present standard.

This note is one of fifty (50) promissory notes of like tenor and date of one thousand (\$1,000.00) dollars each, numbered consecutively from one to fifty inclusive, and aggregating a total sum of fifty thousand (\$50,000.00) dollars, each note having four interest coupons attached. Said notes are to rank *pari passu* without any preference or priority one over the other, and are all equally secured by a deed of trust of even date herewith duly executed by the holder of this note, thereby conveying to the said Citizens Trust and Savings Bank, as trustee, all the real and personal property, rights, and privileges now belonging to and owned by the maker of these notes, and are executed and issued subject to, and with the benefits of all the conditions, terms, and covenants contained in said deed of trust. Principal and interest payable at the said Citizens Trust and Savings Bank.

THE VENTURA-CALIFORNIA OIL COMPANY,

Corporate Seal

By W. S. Odell, President.

By D. L. Peters, Secretary."

Each of said fifty (50) notes having a trustee's certificate thereon, numbered 172:

"Trust No. 172.

Trustee's Certificate.

Los Angeles, California, February 25th, A. D. 1913.

The Citizens Trust and Savings Bank of Los Angeles, California, hereby certifies that this promissory note is one of the fifty notes referred to in the deed of trust mentioned in said note.

CITIZENS TRUST AND SAVINGS BANK,

By Chas. G. Greene, Trust Officer."

and each of said promissory notes having also four interest coupons, each and all of said coupons bearing said trust number 172, and being in the following form:

"On the 10th day of February, 1915, The Ventura-California Oil Company promises to pay to bearer, at the Citizens Trust and Savings Bank, in the city of Los Angeles, No. 4 California, the sum of thirty-five (\$35.00) \$35.00 dollars, in gold coin of the United States of America, being six months interest at seven per cent (7%) per annum on its trust deed note No.....

Dated, February 19th, 1913.

Attest: D. L. PETERS, Secretary."

Trust Deed

No. 172

Now, therefore, in consideration of the indebtedness evidenced by said notes, and for the purpose of securing the payment thereof with interest as therein provided, and also to secure the repayment of any sum of

money with interest thereon that may otherwise be or become due or payable to either the parties of the second or third part under the provisions of this instrument, said party of the first part does by these presents grant, bargain, sell, convey, and confirm unto said party of the second part that certain real property situate in the Little Sespe Petroleum Mining District, county of Ventura, state of California, described as follows:

Agasthenes Oil Placer Mining Claim, embracing lots four (4), five (5), ten (10) and eleven (11), in section five (5), township four (4) north, range nineteen (19) west, S. B. M., containing one hundred twenty and $69/100$ (120.69) acres; United States patent therefor is recorded in book 4 of patents, at page 257, *et seq.*, in the office of the county recorder of Ventura county, California;

Agapetus Oil Placer Mining Claim, embracing lot nine (9), and the north one-half ($N.1/2$) of the southeast quarter ($S.E.1/4$) and the northeast quarter ($N.E.1/4$) of the southwest quarter ($S.W.1/4$), containing one hundred sixty (160) acres;

Agapenor Oil Placer Mining Claim, embracing lots six (6), and eight (8), and the west half ($W.1/2$) of lot seven (7), containing one hundred sixty (160) acres;

Agareni Oil Placer Mining Claim, embracing lots one (1), two (2), and three (3), and the east-half ($E.1/2$) of lot seven (7), containing one hundred twenty-eight and $85/100$ (128.85) acres;

All the above claims being in section five (5), town-

ship four (4) north, range nineteen (19) west, S. B. M.

Also the following personal property situate thereon:

Two 30 H. P. boilers, one 45 H. P. boiler, two 23 H. P. engines, two derricks complete, two sets rig irons, two sets rig timbers complete, casing, pipe line, one 50 barrel tank, one 1500 barrel tank, three 100 barrel tanks, one gasoline engine, together with an assortment of well drilling machinery and tools.

To have and to hold the same upon the trusts hereinbefore and hereinafter expressed, to-wit:

First: During the continuance of this trust, the party of the first part agrees to pay, when due, all taxes, assessments and encumbrances which may be or appear to be liens upon said property, or any part thereof, including taxes levied or assessed upon the debt secured hereby, also including all corporation license or franchise tax imposed upon or against the said first party; to do, or cause to be done and performed, on or before the first day of November, in each year, the annual assessment work required by law to be performed upon unpatented mining claims, to keep the buildings thereon insured against loss by fire to the amount required by and in such insurance companies as may be satisfactory to the party of the third part, loss, if any, payable to the said party of the third part, and to keep said property in good condition and repair and to permit no waste thereof.

Should said property, or any part thereof, require inspection, repair, protection, or insurance other than that provided by party of the first part, or should the party of the first part fail and neglect to do, perform,

and complete said annual assessment work on or before the first day of November, in each year, then the parties of the second and third parts (they, however, are hereby made the sole judges as to the necessity therefor), may, without notice to the party of the first part, enter, or cause entry to be made, upon said property, and may inspect, repair, protect, or insure said property and do and perform the said annual assessment work, and in such manner or amount as they may deem necessary.

Said parties of the second and third parts, or either of them, at their option, may purchase, compromise or pay all or any adverse claims, liens or encumbrances affecting the title to said property or these trusts, or which, in their judgment, seem to affect the same, including the cost of such annual assessment work and repairs, and may contest any taxes, assessments, adverse claims, liens or encumbrances, and may prosecute or defend any suit or proceeding instituted for the enforcement thereof, and may settle and compromise any claims which, in their judgment, affect or seem to affect the title of said property or these *these* trusts, but they shall not be obligated to make any such payments or to perform any such service.

These trusts shall be and continue as security to said parties of the second and third parts for the payment of the indebtedness evidenced by said promissory notes, for the repayment of any sums that may be expended or advanced by parties of the second and third parts under the terms hereof, including attorney's fees, together with interest thereon at the same rate borne by the promissory notes hereinbefore mentioned, and

for the costs, fees, charges, and expenses of this trust and of any service rendered under the terms hereof.

Said party of the first part agrees to repay without demand all sums so advanced or expended by said parties of the second and third parts, or either of them, and a failure to pay said sums on or before the next date thereafter when an interest payment upon said promissory notes becomes due shall constitute a default for which all sums secured hereby shall become immediately due and payable at the option of the party of the third part, and for which the trustee may proceed to sell as hereinafter provided.

Second: If said party of the first part shall pay, or cause to be paid, when due, the indebtedness aforesaid with interest thereon, together with all other sums secured or intended to be secured hereby, and shall deliver to said trustee written notice from said party of the third part of the full payment thereof, and shall surrender the said promissory notes to said trustee, for cancellation, and upon demand shall pay all other sums secured or intended to be secured hereby, including the costs, fees, charges and expenses of this trust and of the reconveyance of the property aforesaid, then said trustee shall reconvey, without warranty, all the estate in the premises aforesaid to it by this instrument granted unto the said party of the first part, its successors and assigns, at its request and cost, or so much thereof as shall then be held by said trustee.

Third: If default shall be made in the payment of any of said sums of principal or interest when due, as provided in said promissory notes, or in the payment of any sums herein provided to be paid or repaid,

or of any of the interest thereon, then said trustee, on written demand by the party of the third part but without the necessity of making demand on the party of the first part for the payment of any of said sums, shall sell the above granted property, or such part thereof as it shall deem necessary to sell in order to accomplish the objects of these trusts.

Such sale shall be made in the following manner, namely:

Said trustee shall publish notice of the time and place of such sale, with a description of the property to be sold, at least twice a week for six successive weeks in some newspaper published in the city of Los Angeles, California, and may, from time to time, postpone such sale by publication of a notice of postponement in the same newspaper at least once each week prior to the date of the sale fixed by said notice of postponement, or at its option, by public announcement thereof at the time and place of sale so advertised; but, in case of sale of property situate outside of Los Angeles county, the notice of sale shall also in like manner be published in a newspaper published in the county in which the property is situated; but if there be no newspaper published in any county as often as twice a week, then such notice shall be published for six successive weeks in every issue of such newspaper published in such county during such period; and on the day of sale so fixed said trustee may sell the property so advertised, or any portion thereof, at public auction, either in said city of Los Angeles, or, at its discretion, in any county in which any part of said property may be situated, to the highest bidder for cash in said gold coin.

Said trustee may sell said property as a whole, or in such parcels or subdivisions as it may deem best, or part at one time and part at another time, and after any such sale and after due payment made, shall execute and deliver to the purchaser, or purchasers, but without covenant or warranty of any kind, express or implied, regarding the title or encumbrances;

And out of the proceeds of such sale, or sales, shall pay:

1st. The expenses of such sale, together with the costs, fees, charges, and expenses of this trust, including the compensation of the party of the second part as trustee hereunder in the sum of three hundred dollars, in said gold coin of the United States, which said amounts shall become due and payable upon any written demand made by the said party of the third part for the sale of the property mentioned in this instrument.

2d. All sums which may have been paid or advanced in accordance with the provisions hereof and not repaid, together with the interest accrued thereon.

3d. The amount due and unpaid on said promissory notes herein mentioned, with interest accrued thereon.

And, lastly: The balance or the surplus of such proceeds, if any, to the order of said party of the first part, its successors or assigns.

In the event of a sale of said property, or any part thereof, and the execution of a deed, or deeds, therefor under these trusts, then the recitals therein of default, publication of notice of sale, demand that such sale should be made, postponement of sale, terms of sale, purchaser, payment of purchase money, and any other

fact affecting the regularity or validity of such sale shall be conclusive proof of such facts; and any such deed, or deeds, shall be conclusive against all persons as to such facts recited therein; and the acknowledgment of the receipt of the purchase money contained in any deed executed to a purchaser, as aforesaid, shall be a sufficient discharge to such purchaser from all obligation to see to the proper application of the purchase money as herein provided.

This deed of trust secures the payment of all the indebtedness and the performance of all of the obligations hereinbefore referred to, and in all its parts applied to, inures to the benefit of, and binds the heirs, administrators, executors, successors and assigns of all and each of the parties hereto.

This deed of trust shall not be effective unless, prior to its recordation, the trust is accepted by said trustee, under its corporate name and seal, by a duly authorized official thereof.

In witness whereof, the party of the first part has hereunto caused its corporate name and seal to be affixed by its president and secretary thereunto duly authorized by a resolution passed by its board of directors at a legal meeting thereof duly convened and held on the 18th day of February, 1913.

THE VENTURA-CALIFORNIA OIL COMPANY,
(Corporate Seal) By S. W. Odell, President.
By D. L. Peters, Secretary.

The foregoing trust is hereby accepted,—Trust No. 172.

CITIZENS TRUST AND SAVINGS BANK,
(Corporate Seal) By Orra E. Monnette, President.
C. J. G.

State of California, County of Los Angeles—ss.

D. L. Peters, being first duly sworn, deposes and says that he is one of the officers of the Ventura-California Oil Company (to-wit, its secretary), the party of the first part mentioned in the foregoing and hereto attached deed of trust and mortgage.

That the aforesaid deed of trust and mortgage is made in good faith, and without any design to hinder, delay or defraud any creditor or creditors; that he makes this affidavit for and on behalf of said corporation.

D. L. PETERS.

Subscribed and sworn to before me this 19th day of February, 1913.

(Notarial Seal)

JOSEPH T. TATUM,

Notary Public in and for the County of Los Angeles,
State of California, Duly Commissioned and
Sworn.

State of California, County of Los Angeles—ss.

Orra E. Monnette, being first duly sworn, deposes and says that he is one of the officers of the Citizens Trust & Savings Bank, the corporation mentioned as the party of the second part in the foregoing and hereto attached deed of trust and mortgage; that the aforesaid deed of trust and mortgage is made in good faith and without any design to hinder, delay or defraud any creditor or creditors; that he makes this affidavit for and on behalf of said corporation.

ORRA E. MONNETTE.

Subscribed and sworn to before me this 24th day of February, 1913.

(Notarial Seal)

M. C. KENNEDY,

Notary Public in and for the County of Los Angeles,
State of California, Duly Commissioned and
Sworn.

State of California, County of Los Angeles—ss.

Albert G. Shaw, being first duly sworn, deposes and says that he is one of the officers of The Benson Investment Company, the corporation mentioned as the party of the third part in the foregoing and hereto attached deed of trust and mortgage.

That the aforesaid deed of trust and mortgage is made in good faith, and without any design to hinder, delay or defraud any creditor or creditors; that he makes this affidavit for and on behalf of said corporation.

ALBERT G. SHAW.

Subscribed and sworn to before me this 19th day of February, 1913.

(Notarial Seal)

JOSEPH T. TATUM,

Notary Public in and for the County of Los Angeles,
State of California, Duly Commissioned and
Sworn.

State of California, County of Los Angeles—ss.

On this 19th day of February, in the year one thousand nine hundred and thirteen, before me, Joseph T. Tatum, a notary public in and for said county of Los Angeles, state of California, residing therein, duly commissioned and qualified, personally appeared S. W. Odell, known to me to be the president, and D. L.

Peters, known to me to be the secretary of the Ventura-California Oil Company, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument, on behalf of the Ventura-California Oil Company, the corporation therein named, and acknowledged to me that such corporation executed the same.

In witness whereof, I have hereunto set my hand and affixed my official seal in said county, the day and year in this certificate first above written.

(Notarial Seal) JOSEPH T. TATUM,
Notary Public in and for the County of Los Angeles,
State of California.

RATIFICATION BY STOCKHOLDERS.

Whereas, upon this nineteenth day of February, nineteen hundred and thirteen, the Ventura-California Oil Company, a corporation organized and existing under the laws of the state of California, has by its deed of trust conveyed in trust to the Citizens Trust & Savings Bank, a corporation having its principal place of business in the city of Los Angeles, county of Los Angeles, state of California, all of its real and personal property hereinafter described, for the purpose of securing the payment of fifty (50) promissory notes of one thousand dollars (\$1000.00) each of even date herewith, numbered consecutively from one to fifty inclusive, and all made payable to the order of "The Benson Investment Company, or bearer," and payable on or before February 10th, 1915, the said Benson Investment Company being the third party mentioned in said deed of trust, all of which is more particularly

set forth in said last mentioned instrument to which reference is hereby made.

Wherefore, the subscribers, each and all of whom are owners of and stockholders of record in the said The Ventura-California Oil Company, and owning and holding and also of record, the number of shares set opposite their names, said number of shares of said stock so set opposite their names aggregating a total of 284,831 shares, and being more than two-thirds of the issued capital stock of said last mentioned company, said corporation having an authorized capitalization of 500,000 shares.

Therefore, we, the said stockholders, do hereby consent that said conveyance be made and do hereby ratify and approve the action of the board of directors and the officers of this corporation in making such conveyance of the said hereinafter described property for the purpose herein mentioned, and more particularly mentioned in said deed of trust, said property being described as follows, to-wit:

Agasthenes Oil Placer Mining Claim, embracing lots four (4), five (5), ten (10) and eleven (11), in section five (5), township four (4) north, range nineteen (19) west, S. B. M., containing one hundred twenty and 69/100 (120.69) acres; United States patent therefor is recorded in book 4 of patents at page 257, *et seq.*, in the office of the county recorder of Ventura county, California:

Agapetus Oil Placer Mining Claim, embracing lot nine (9), and the north one-half (N.½) of the southwest quarter (S.W.¼) and the northeast quarter

(N.E. $\frac{1}{4}$) of the southwest quarter (S.W. $\frac{1}{4}$), containing one hundred sixty (160) acres;

Agapenor Oil Placer Mining Claim, embracing lots six (6) and eight (8) and the west-half (W. $\frac{1}{2}$) of lot seven (7), containing one hundred sixty (160) acres;

Agareni Oil Placer Claim, embracing lots one (1), two (2), and three (3), and the east-half (E. $\frac{1}{2}$) of lot seven (7), containing one hundred twenty-eight and $\frac{85}{100}$ (128.85) acres;

All the above claims being in section five (5), township four (4) north, range nineteen (19) west, S. B. M.

Also the following personal property situate thereon:

Two 30 H. P. boilers, one 45 H. P. boiler, two 23 H. P. engines, two derricks complete, two sets rig irons, two sets rig timbers complete, casing, pipe line, one 50 barrel tank, one 1500 barrel tank, three 100 barrel tanks, one gasoline engine, together with an assortment of well drilling machinery and tools.

Names	Number of Shares.
D. L. Peters	186,855
S. W. Odell	84,976
C. E. Stoner	13,000

State of California, County of Los Angeles—ss.

On this 19th day of February, in the year one thousand nine hundred and thirteen, before me, Joseph T. Tatum, a notary public in and for said county of Los Angeles, state of California, residing therein, duly commissioned and qualified, personally appeared D. L. Peters, S. W. Odell and C. E. Stoner, known to me to be the persons whose names are subscribed to the

within instrument, and acknowledged to me that they executed the same.

In witness whereof, I have hereunto set my hand and affixed my official seal in said county, the day and year in this certificate first above written.

(Notarial Seal) JOSEPH T. TATUM,
Notary Public in and for the County of Los Angeles,
State of California.

Endorsed: Indexed in mortgages and chattel mortgages. Indexed. Compared. Deed of Trust. The Ventura-California Oil Company to Citizens Trust and Savings Bank, Trustee. Dated: February 19, 1913. Recorded at the request of trustee, Feb. 27, 1913, at 40 min. past 9 o'clock a. m., in book 137 of deeds, page 24, records of Ventura Co., Cal. J. L. Argabrite, county recorder; by, deputy recorder. Theodore Martin, suite 918 Security Building, Los Angeles, Cal. \$5.00.

Ventura-Cal. O. Co. vs. Pac. Pet. Co. et al. No. B 7 Eq. Deft's Exhibit No. 1. Filed June 9, 1916. Wm. M. Van Dyke, clerk; by Leslie S. Colyer, deputy clerk.

DEFENDANT'S EXHIBIT "2."

This indenture, made this 23rd day of March, A. D. 1914, by and between William H. Cochran of the city of Philadelphia, in the state of Pennsylvania, trustee for the Penn Development Company, a corporation created and existing under the laws of the state of Delaware, party of the first part, and the Penn Development Company, a corporation created and exist-

ing under the laws of the state of Delaware, party of the second part;

Witnesseth:

That the said William H. Cochran, as trustee aforesaid, for and in consideration of the sum of one dollar (\$1.00), and other good and valuable consideration to him in hand paid at and before the sealing and delivery of these presents by the Penn Development Company, a corporation organized and existing under the laws of the state of Delaware, and the receipt whereof is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell and convey unto the said Penn Development Company, the party of the second part herein above mentioned, its successors and assigns, all of the hereinafter described premises and property and also the right, title, estate and interest of the said party of the first part in and to the same, to-wit:

Agasthenes Oil Placer Mining Claim, embracing lots four (4), five (5), ten (10) and eleven (11), in section five (5), township four (4) north, range nineteen (19) west, S. B. M., containing one hundred twenty and $\frac{69}{100}$ (120.69) acres; United States patent therefor is recorded in book 4 of patents, at page 257, *et seq.*, in the office of the county recorder of Ventura county, California;

Agapetus Oil Placer Mining Claim, embracing lot nine (9), and the north one-half ($N.\frac{1}{2}$) of the southeast quarter ($S.E.\frac{1}{4}$) and the northeast quarter ($N.E.\frac{1}{4}$) of the southwest quarter ($S.W.\frac{1}{4}$), containing one hundred sixty (160) acres;

Agapenor Oil Placer Mining Claim, embracing lots

six (6) eight (8), and the west-half ($W. \frac{1}{2}$) of lot seven (7), containing one hundred sixty (160) acres;

Agareni Oil Placer Mining Claim, embracing lots one (1), two (2) and three (3), and the east-half ($E. \frac{1}{2}$) of lot seven (7), containing one hundred twenty-eight and $85/100$ (128.85) acres;

All the above claims being in section five (5), township four (4) north, range nineteen (19) west, S. B. M.

Also the following personal property situate thereon:

To 30 H. P. boilers, one 45 H. P. boiler, two 23 H. P. engines, two derricks complete, two sets rig irons, two sets rig timbers complete, casing, pipe line, one 50 barrel tank, one 1500 barrel tank, three 100 barrel tanks, one gasoline engine, together with an assortment of well drilling machinery and tools.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining; it being the intention of the said party of the first part to convey unto the said party of the second part all the certain estate, right, title and interest vested in him by virtue of the certain deed or instrument in writing heretofore made to him by the Citizens Trust and Savings Bank, a corporation organized and existing under the laws of the state of California, dated the 11th day of March, 1914.

To have and to hold all and singular all the above mentioned and described premises and property, together with the hereditaments and appurtenances, unto the said party of the second part, the Penn Development Company, its successors and assigns forever.

In witness whereof, the said party of the first part, William H. Cochran, as trustee aforesaid, has hereunto set his hand and seal the day and year first hereinbefore mentioned.

WM. H. COCHRAN (L.S.)

Trustee for the Penn Development Company.

In the presence of

ALBERT G. SHAW.

State of California, County of Los Angeles—ss.

On this 23rd day of March, in the year nineteen hundred and fourteen, before me, Jennie S. Guthrie, a notary public in and for the county of Los Angeles, and state of California, residing therein, duly commissioned and sworn, personally appeared William H. Cochran, Trustee for the Penn Development Company, known to me to be the person whose name is subscribed to the within instrument, and who acknowledged to me that he executed the same as such trustee.

In witness whereof, I have hereunto set my hand and official seal the day and year in this certificate first above written.

(Seal)

JENNIE S. GUTHRIE.

Notary Public in and for said County of Los Angeles,
State of California.

[Endorsed]: Compared. Indexed March 23d, 1914. William H. Cochran, as trustee, etc., to Penn Development Company. Deed. Recorded at the request of grantee Mar. 31, 1914, at 10 min. past 11 o'clock a. m., in book 145 of deeds, page 29, records of Ventura Co., Cal. J. L. Argabrite, county recorder; by J. M. Argabrite, deputy recorder. \$1.20. Ventura-Cal. O.

Co. vs. Pac. Pet. Co. et al. No. B 7 Eq. Deft's Exhibit No. 2. Filed June 9, 1916. Wm. M. Van Dyke, clerk; by Leslie S Colyer, deputy clerk.

*In the District Court of the United States, Southern
District of California, Southern Division.*

No. B 7 Eq.

C. E. STONER, F. E. SCHAAD, D. L. PETERS,
E. B. RHODES, and S. W. ODELL, Late Direct-
ors and Now Trustees of Ventura-California Oil
Company, a Corporation,

Plaintiffs,

vs.

PACIFIC PETROLEUM COMPANY, a Corporation,
PENN DEVELOPMENT COMPANY, a Cor-
poration, W. H. COCHRAN, *et al.*,

Defendants.

Petition for Appeal.

The defendant Penn Development Company, a corporation, conceiving itself aggrieved by the final decree made and entered by the said court in the above entitled action on the first day of August, 1916, comes now, by Theodore Martin, Esq., its solicitor, and petitions said court for an order allowing the said defendant to prosecute an appeal from the aforementioned decree to the Honorable, the United States Circuit Court of Appeals for the Ninth Circuit, under and according to the laws of the United States in that behalf made and provided for, and also fixing the

sum of the security which the said defendant shall give and furnish upon such an appeal.

Dated January 31st, 1917.

THEODORE MARTIN,

Solicitor for Defendant Penn Development Company,
a Corporation.

[Endorsed]: No. B 7 Eq. Dept. In the District Court of the United States, Southern District of California, Southern Division. C. E. Stoner, *et al.*, plaintiffs, vs. Pacific Petroleum Company, *et al.*, defendants. Petition for Appeal. Filed Jan. 31, 1917. Wm. M. Van Dyke, clerk; by Chas. N. Williams, deputy clerk. Theodore Martin, suite 918 Security Building, Home phone F5234, Sunset Main 488, Los Angeles, Cal., solicitor for dft. and appellant Penn Development Company.

In the District Court of the United States, Southern District of California, Southern Division.

C. E. STONER, F. E. SCHAAD, D. L. PETERS,
E. B. RHODES, and S. W. ODELL, Late Directors and Now Trustees of Ventura-California Oil Company, a Corporation,

Plaintiffs,

vs.

PACIFIC PETROLEUM COMPANY, a Corporation,
PENN DEVELOPMENT COMPANY, a Corporation,
W. H. COCHRAN, *et al.*,

Defendants.

Assignment of Errors.

Comes now the above named defendant Penn Development Company, a corporation, by its solicitor, Theodore Martin, Esq., and says that the final decree entered in this cause on the first day of August, 1916, is erroneous and unjust to this defendant; and it specifies and assigns the following as the errors asserted, intended to be urged and upon which it will rely on its appeal to the United States Circuit Court of Appeals for the Ninth Circuit, from the aforementioned final decree entered herein.

The Honorable Trial Court erred on the trial of this cause, and in its aforementioned final decree entered herein, in the following particulars, to-wit:

First: In adjudging and decreeing that "By said assignment (particularly described in paragraph 2 of said final decree) Pacific Petroleum Company assumed and agreed to pay the moneys to be paid as provided by said contract, and to perform all the covenants therein mentioned"; which said contract is also particularly described in the said paragraph 2 of said final decree.

Second: In not adjudging and decreeing that the certain alleged assignment from Dorsey to Pacific Petroleum Company of the contract, particularly described in paragraph 2 of said final decree, had not been ratified, nor accepted by said Pacific Petroleum Company; and that because no such ratification nor acceptance had been made, or given, the said Pacific Petroleum Company did not assume, nor was it bound to carry out any of the provisions, or covenants of

the contract in said assignment particularly described.

Third: In adjudging and decreeing that "there became due on November 1, 1913, from the Pacific Petroleum Company by virtue of said contract, to the said Ventura-California Oil Company, the sum of fifteen thousand dollars (\$15,000.00) in cash."

Fourth: In adjudging and decreeing that "there likewise became due to the said Ventura-California Oil Company first mortgage bonds on the 22d day of August, 1913, having a value of twenty-five thousand dollars (\$25,000.00)."

Fifth: In adjudging and decreeing that "said bonds
* * * cannot be delivered."

Sixth: In adjudging and decreeing that "there is now due, owing and unpaid the said sums with interest thereon at the legal rate of seven per cent per annum, as provided by the laws of the state of California, from the dates when the same became due from the Pacific Petroleum Company, a corporation, to the plaintiffs as trustees of the Ventura-California Oil Company, a corporation, a total sum of forty-seven thousand nine hundred fifty-one dollars (\$47,951.00)."

Seventh: In adjudging and decreeing that "the said amount is a part of the purchase price of said premises, and that plaintiffs as trustees of Ventura-California Oil Company, a corporation, have a first lien upon the said premises hereinafter mentioned by reason of their said contract for the payment of said amount, and that all the right, title and interest of the defendants Pacific Petroleum Company, Penn Development Company and W. H. Cochran, and all per-

sons or corporations claiming by, through and under them are inferior to and subject to the said lien."

Eighth: In adjudging and decreeing that the certain agreement between the defendants Pacific Petroleum Company and Penn Development Company, dated February 17, 1914, and the certain deed, dated March 11, 1914, of the property in question, from Citizens Trust & Savings Bank, trustee, to William H. Cochran, and also the deed of the same property, dated March 23, 1914, from said William H. Cochran, trustee, to said Penn Development Company (all which said instruments are particularly described and referred to in paragraph 3 of the aforementioned final decree), "were and are, in so far as the interests of the Ventura-California Oil Company and of plaintiffs are concerned, in the premises hereinafter mentioned, a mortgage, and as such are subject to and inferior to the title and rights of the plaintiffs herein."

Ninth: In adjudging and decreeing that, by the agreement between the defendants Pacific Petroleum Company and Penn Development Company, dated February 17, 1914, the said "Penn Development Company agreed to advance moneys to purchase" the property in question and at the sale particularly referred to in paragraph 3 of the aforementioned final decree.

Tenth: In adjudging and decreeing that the defendants Pacific Petroleum Company or Penn Development Company should pay to the plaintiffs the sum of forty-seven thousand nine hundred fifty-one dollars (\$47,951.00), with interest and costs.

Eleventh: In adjudging and decreeing that, in default of such payment of forty-seven thousand nine

hundred fifty-one dollars (\$47,951.00), with interest and costs being made as particularly provided for in paragraph 4 of the aforementioned final decree, that then and in that case the property in question should be sold in the form and manner in the said final decree specifically directed.

Twelfth: In adjudging and decreeing that out of the proceeds of the sale of the said property the aforementioned amount found due by the said final decree should be paid.

Thirteenth: In adjudging and decreeing that this defendant Penn Development Company "be forever barred and foreclosed from all equity of redemption and claim of, in and to said premises and any part and parcel thereof, if the same are not by said defendants, or either of them * * * redeemed according to law within twelve months from the date of said sale."

Fourteenth: In adjudging and decreeing that "if the said lands are not redeemed as aforesaid, then and in that case, * * * said special master shall make, execute and deliver to said purchaser, or purchasers * * * a good and sufficient conveyance in fee simple of such premises, or such part thereof as shall have been sold."

Fifteenth: In adjudging and decreeing that the defendant Pacific Petroleum Company, "is personally liable for the payment of the debt" in the aforementioned final decree particularly described and set forth; and that the said company should pay any deficiency therein, in the event of the proceeds of the decreed

sale of the property in question being insufficient to pay said debt in full.

Sixteenth: In not adjudging and decreeing that such lien, if any, which the said Ventura-California Oil Company might have had on the property in question by reason of the certain written instrument, dated July 22, 1913, between the said company and Stephen W. Dorsey, was inferior to and subject to the lien of the Citizens Trust & Savings Bank on the said property, under and by virtue of the certain deed of trust from the said Ventura-California Oil Company to the said Citizens Trust & Savings Bank, dated February 19, 1913 (Defendants' Exhibit 1).

Seventeenth: In not adjudging and decreeing that such lien, if any, which the said Ventura-California Oil Company might have had on the property in question by reason of the certain written instrument, dated July 22, 1913, between the said company and Stephen W. Dorsey was absolutely lost and extinguished by the foreclosure by the said Citizens Trust & Savings Bank of the aforementioned deed of trust (Defendants' Exhibit 1), and the public sale thereunder of the property in question, on March 11, 1914.

Eighteenth: In not adjudging and decreeing that the purchaser at said aforementioned sale of the property in question, to-wit, the defendant William H. Cochran, trustee for Penn Development Company, under and by virtue of said public sale and also the deed given pursuant thereto, dated March 11, 1914 (Plaintiffs' Exhibit C), acquired a good legal fee simple title to the property in question, free and clear of any lien, or encumbrance whatsoever, and particularly of any theretofore pos-

sible lien of the said Ventura-California Oil Company either by reason of the certain written instrument, dated July 22, 1913, between the said company and Stephen W. Dorsey, or otherwise whatsoever.

Nineteenth: In not adjudging and decreeing that the defendant Penn Development Company, thereafter on March 23, 1914, and under and by virtue of the certain deed, dated that day (Defendants' Exhibit 2) from the said William H. Cochran, trustee, to the said Penn Development Company, succeeded to and acquired all the right, title and interest of the said William H. Cochran in and to the property in question, and then became and still is the owner and holder thereof, in fee simple, free and clear of any lien, or encumbrance whatsoever, and particularly of any lien of the said Ventura-California Oil Company, either by reason of the certain written instrument, dated July 22, 1913, between the said company and Stephen W. Dorsey, or otherwise whatsoever.

Twentieth: In admitting in evidence the instrument, dated July 22, 1913, between Ventura-California Oil Company and Stephen W. Dorsey, which instrument was marked "Exhibit A."

Twenty-first: In admitting in evidence the alleged assignment, dated July 24, 1913, from Stephen W. Dorsey to Pacific Petroleum Company, of the instrument marked "Exhibit A"; and which said alleged assigned was marked "Exhibit B."

Twenty-second: In admitting in evidence the agreement between Pacific Petroleum Company and Penn Development Company, dated February 17, 1914, which was marked "Exhibit D."

Twenty-third: In admitting in evidence the testimony of plaintiffs' witness S. W. Odell, in response to the following question: "Q. Did you have any conversation with Mr. Cochran in regard to this property prior to the purchase of the property by Mr. Cochran as trustee of the Penn Development Company?" The witness testified, in substance, as follows: Mr. Cochran with Senator Dorsey called on him (the witness) possibly thirty days prior to the sale of the property. They (Ventura-California Oil Company) had been urging and requesting Mr. Dorsey to pay the interest on that Citizens Trust & Savings Bank trust deed in order to save foreclosure. That Mr. Dorsey, in the presence of Mr. Cochran, stated that he (Dorsey) had made an arrangement with the Penn Development Company by which that would be taken care of. That Mr. Cochran said that he was there in the interests of the corporation, which was being formed, and that the Ventura-California Oil Company need not be alarmed, that it would see that the contract with Dorsey would be carried out. Relying on these statements they (Ventura-California Oil Company) ceased efforts to negotiate a loan to take the matter up.

Twenty-fourth: In denying this defendant's motion to strike out all the testimony stated, in substance, in the twenty-third assignment of error.

Twenty-fifth: In admitting in evidence the statement of plaintiffs' witness S. W. Odell as to the value of certain bonds, in substance, that these bonds were represented to the Ventura-California Oil Company by the Pacific Petroleum Company to be first mort-

gage bonds, that they would be par value, gilt edge security for part of the purchase price of the property.

Twenty-sixth: In admitting in evidence the conclusions of the plaintiffs' witness S. W. Odell as to the contract between Pacific Petroleum Company and Penn Development Company, dated February 17, 1914.

Twenty-seventh: In denying this defendant's motion to strike out all the testimony of the plaintiffs' witness S. W. Odell, by which, and in which, he attempted to construe, or give any of his conclusions, or theories, or deductions, relative to the contract between Pacific Petroleum Company and Penn Development Company, dated February 17, 1914.

Twenty-eighth: In denying this defendant's motion to strike out all the testimony of the plaintiff's witness S. W. Odell.

Twenty-ninth: In denving this defendant's motion for judgment in its favor, made at the close of the plaintiffs' case.

Thirtieth: In admitting in evidence the statement of one of plaintiffs' attorneys, S. W. Odell, that the certain bonds of the Pacific Petroleum Company were guaranteed to the Ventura-California Oil Company, to be gilt edge and worth par.

Wherefore, this defendant Penn Development Company prays that the aforementioned final decree of this court, made and entered herein on the first day of August, 1916, be reversed and that this defendant have the relief demanded by its answer to the plaintiffs' second amended complaint herein.

All of which is respectfully submitted.

THEODORE MARTIN,

Solicitor for Defendant Penn Development Company.

[Endorsed]: B 7 Eq. Dept. In the District Court of the United States, Southern District of California, Southern Division. C. E. Stoner, *et al.*, plaintiffs, vs. Pacific Petroleum Company, *et al.*, defendants. Assignment of Errors. Filed Jan. 31, 1917. Wm. M. Van Dyke, clerk; by Chas. N. Williams, deputy clerk. Theodore Martin, suite 918 Security Building, Home phone F5834, Sunset Main 488, Los Angeles, Cal., solicitor for dft. and appellant Penn Development Company.

In the District Court of the United States, Southern District of California, Southern Division.

No. B 7 Eq.

C. E. STONER, F. E. SCHAAD, D. L. PETERS,
E. B. RHODES, and S. W. ODELL, Late Directors and Now Trustees of Ventura-California Oil Company, a Corporation,

Plaintiffs,

vs.

PACIFIC PETROLEUM COMPANY, a Corporation,
PENN DEVELOPMENT COMPANY, a Corporation, W. H. COCHRAN, *et al.*,

Defendants.

Order Allowing Appeal.

In the above entitled action, the defendant Penn Development Company, a corporation, having duly filed its petition for an order allowing it to prosecute an appeal from the final decree of this court made and

entered herein on the first day of August, 1916, and having also duly filed its assignment of errors:

Now, on motion of Theodore Martin, Esq , solicitor for the said defendant Penn Development Company, it is

Ordered that such appeal to the United States Circuit Court of Appeals for the Ninth Circuit be, and the same hereby is, allowed to the said defendant Penn Development Company, from the aforementioned final decree entered in this action on the first day of August, 1916. And it is further

Ordered that the amount of the said defendant's security and bond on said appeal be, and the same hereby is, fixed in the sum of two hundred and fifty dollars. And it is further

Ordered that, upon the filing of such security and bond, a certified transcript of the records and proceedings in this action be forthwith transmitted to the said United States Circuit Court of Appeals for the Ninth Circuit, in accordance with the statutes and the equity rules of the Supreme Court of the United States.

Dated January 31st. 1917.

OSCAR A. TRIPPET,

United States District Judge.

[Endorsed]: No. B 7 Eq. Dept. In the District Court of the United States, Southern District of California, Southern Division. C. E. Stoner, *et al.*, plaintiffs, vs. Pacific Petroleum Company, *et al.*, defendants. Order Allowing Appeal. Filed Jan. 31, 1917. Wm. M. Van Dyke, clerk; by Chas. N. Williams, deputy clerk. Theodore Martin, suite 918 Security Building,

Home phone F5834, Sunset Main 488, Los Angeles, Cal., solicitor for dft. and appellant Penn Development Company.

In the District Court of the United States, Southern District of California, Southern Division.

C. E. STONER, F. E. SCHAAD, D. L. PETERS,
E. B. RHODES, and S. W. ODELL, Late Directors and Now Trustees of Ventura-California Oil Company, a Corporation,

Plaintiffs,

vs.

PACIFIC PETROLEUM COMPANY, a Corporation,
PENN DEVELOPMENT COMPANY, a Corporation, W. H. COCHRAN, *et al.*,

Defendants.

Bond for Costs on Appeal.

Know all men by these presents, that the undersigned United States Fidelity & Guaranty Company, a corporation, duly organized and existing under the laws of the state of Maryland, duly authorized to transact business within the state of California, as surety, is held and firmly bound unto C. E. Stoner, F. E. Schaad, D. L. Peters, E. B. Rhodes and S. W. Odell, late directors and now trustees of Ventura-California Oil Company, a corporation, in the penal sum of two hundred fifty & no/100 dollars (\$250.00), well and truly to be paid to the said C. E. Stoner, F. E. Schaad, D. L. Peters, E. B. Rhodes and S. W. Odell, late directors and now trustees of Ventura-California Oil Company, a corporation, for the payment of which we

bind ourselves, our successors and assigns, jointly and severally, firmly by these presents.

Signed and sealed and dated at Los Angeles, California, this 31st day of January, 1917.

The condition of this obligation is such, that whereas, Penn Development Company, a corporation, the petitioner herein, has appealed to the United States Circuit of Appeals for the Ninth Circuit, from the final decree of the said District Court of the United States for the Southern District of California, Southern Division, made and entered of record in this cause on the 1st day of August, 1916.

Now, therefore, if the said Penn Development Company, a corporation, shall prosecute its said appeal to effect and answer all costs and damages that may be awarded against it on said appeal, if it fail to make its said appeal good, then this obligation shall be void, otherwise to be and remain in full force and effect.

In witness whereof, the seal and signature of the said surety company is hereto affixed and attested by its duly authorized attorney in fact at Los Angeles, California, district aforesaid, this 31st day of January, 1917.

UNITED STATES FIDELITY
& GUARANTY COMPANY,

(Seal)

By FRANK M. KELSEY,
Its Attorney in Fact.

State of California, County of Los Angeles—ss.

On this 31st day of January, in the year one thousand nine hundred and seventeen, before me, Hallie D. Wine-

brenner, a notary public in and for said county and state, residing therein, duly commissioned and sworn, personally appeared Frank M. Kelsey, known to me to be the duly authorized attorney-in-fact of the United States Fidelity and Guaranty Company, and the same person whose name is subscribed to the within instrument as the attorney-in-fact of said company, and the said Frank M. Kelsey duly acknowledged to me that he subscribed the name of the United States Fidelity and Guaranty Company thereto as principal and his own name as attorney-in-fact.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

HALLIE D. WINEBRENNER,

Notary Public in and for Los Angeles County, State of California.

Approved 1/31/17.

TRIPPET, Judge.

[Endorsed]: No. B 7 Eq. In the District Court of the United States, Southern District of California, Southern Division. C. E. Stoner, *et al.*, plaintiffs, vs. Pacific Petroleum Company, *et al.*, defendants. Filed Jan. 31, 1917. Wm. M. Van Dyke, clerk; by R. S. Zimmerman, deputy clerk. Theodore Martin, attorney. United States Fidelity and Guaranty Company; Frank M. Kelsey, general agent, 700-703 Hibernian Building, Los Angeles, Cal.

*In the District Court of the United States, Southern
District of California, Southern Division.*

No. B 7 Eq.

C. E. STONER, F. E. SCHAAD, D. L. PETERS,
E. B. RHODES, and S. W. ODELL, Late Direct-
ors and Now Trustees of Ventura-California Oil
Company, a Corporation,

Plaintiffs,

vs.

PACIFIC PETROLEUM COMPANY, a Corpora-
tion, PENN DEVELOPMENT COMPANY, a
Corporation, W. H. COCHRAN, *et al.*

Defendants.

Praecipe for Transcript of Record on Appeal.

To the Clerk of the District Court of the United States,
Southern District of California, Southern Division,
Sir:

Into the transcript on the appeal in this action by
the defendant Penn Development Company to the
United States Circuit Court of Appeals for the Ninth
Circuit, please to incorporate the following portions
of the record in the said action, duly certified as re-
quired by law, and in accordance with the rules of
practice for the courts of equity of the United States,
to-wit:

The bill of complaint;

The second amended bill of complaint;

The answer of the defendant Penn Development
Company to the second amended bill of complaint;

The answer of the defendant Pacific Petroleum
Company to the second amended complaint;

The final judgment, or decree;

The assignment of errors filed by the defendant Penn Development Company;

The petition of the defendant Penn Development Company for an order allowing it to appeal from the final judgment, or decree, herein;

The order allowing such appeal of the said defendant Penn Development Company;

The bond given by the said defendant Penn Development Company on the said appeal;

The citation on the said appeal of the said defendant Penn Development Company;

The "Statement of the Evidence" given on the trial of this action, and prepared and filed as required by rule 75 of the aforementioned equity rules;

The paper exhibits as offered in evidence on the trial of this action, and referred to in the aforementioned "Statement of the Evidence."

THEODORE MARTIN,

Solicitor for the Defendant Penn Development Company

[Endorsed]: Original. No. B 7 Eq. Dept.
In the District Court of the United States, Southern District of California, Southern Division. C. E. Stoner, *et al.*, plaintiffs, vs. Pacific Petroleum Company, *et al.*, defendants. Praecipe for Transcript of Record on Appeal. Received copy of the within this 2nd day of March, 1917. Tanner. Odell & Taft, R. A. O., solicitors for plffs. Due and timely service of a copy of the within praecipe is hereby admitted this 2d day of March, 1917. Porter & Sutton, solicitors for defendant Pacific Petroleum Company. Wm. H. Cochran, deft. in person. Filed Mar. 2, 1917. Wm. M. Van Dyke, clerk; by Chas. N. Williams, deputy clerk. Theodore Martin, suite 918 Security Building, Home phone F5834, Sunset Main 488, Los Angeles, Cal.